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## HOME NEWS

## Big changes proposed in scrutiny of public funds

By Peter Hill  
Industrial Editor

Sweeping new powers aimed at promoting much closer scrutiny of government spending are advocated by the Committee of Public Accounts, Parliament's watchdog on government spending.

The committee proposes the most fundamental changes in the framework and nature of public audit since the office of Comptroller and Auditor General was established in 1866.

Key recommendations made by the committee in its report, published yesterday after a long and detailed investigation, include the creation of a national audit office to carry out the functions of the comptroller and his department and a considerable extension of the range of organizations subject to audit.

New audit laws are required urgently, the committee says, as the existing legislation is out of date. There is a need to make statutory provision for a framework of public audit to ensure accountability to Parliament for the wider range of public expenditure.

The committee says that Ministers often do not have the information they reasonably need to control their expenditure. That means that the cost effectiveness of public spending is often insufficiently tested. In many cases it is not possible to assess accurately what a policy change would cost and there is no clear way of establishing the cost or value of resources being continuously employed in official programmes.

A year ago the Government introduced a Green Paper, which the committee criticized for failing to tackle the fundamental questions about the need for satisfactory accountability to Parliament of public spending, of which the comptroller and his officials audit an estimated 60 per cent.

Among its recommendations the committee suggests that the proposed national audit office should be responsible for the external audit of all government accounts and that of local and health authorities.

It should also be charged with advising Parliament on the efficiency with which public money is invested in non-departmental bodies, in nationalized industries and in privately owned companies.

That would require full access to the books and records of all the organizations involved, including the National Enterprise Board and the British National Oil Corporation. The office would draw its initial staff of 1,300 from the Exchequer and Audit Department and the district audit service.

The committee is not persuaded that the "susceptibility of the possible commercial partners to wholly unsubstantiated or unsubstantiated fears should be regarded as a reason to deny the comptroller access to the books of the nationalized industries. It is confident that he would exercise his rights of access with discretion.

Committee of Public Accounts: The Role of the Comptroller and Auditor General, vol. 1, House of Commons paper 115-1 (Stationery Office, £4.20).

Leading article, page 17

## One in 12 of jobless may be cheating, report says

By Pat Healy

Social Services Correspondent

A government report claiming that social security fraud by the unemployed may be four times as high as previous estimates is to be published soon after the Budget.

It says that a team of officials found that fraudulent claims by the unemployed might be as high as 8 per cent, and that the Department of Health and Social Security should investigate.

That level of fraudulent claims would suggest that more than 68,000 unemployed people are cheating. The DSS, which is believed to have challenged parts of the report, said yesterday that it had no specific data on which to base a percentage figure for the extent of fraud.

The fraud figure is a by-product of a wider inquiry into the administration of benefits for the unemployed under the guidance of Sir Derek Rayner, the Prime Minister's adviser on waste in Whitehall.

The Civil Service unions declined to cooperate with the inquiry, which was widely believed to foreshadow an end to national insurance benefits for the unemployed.

The inquiry team, led by Department of Employment officials, visited a limited number of offices because of the hostility of the Civil Service unions. It is believed that their fraud figures are based on inquiries at only two benefit offices.

The Rayner inquiry is understood to have produced its 8 per cent figure on the proportion of unemployed people suspected to be drawing unemployment and supplementary benefit while working. That has been known for some time to be the biggest area of fraud, but one on which anti-fraud drives have concentrated in recent years.

The fraud involved is not working while drawing benefit, but not declaring earnings. Unemployed people are allowed to earn 75p a day before it affects their benefit.

That type of fraud, and cases where women drawing benefit are suspected of cohabiting with a man, are the two areas on which the Government's anti-fraud drive is concentrated.

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Greenpeace mission: The crew of the Rainbow Warrior, who are ready to set sail from Southampton today in an attempt to prevent the killing next week of 15,000 pups of the hooded seal off Newfoundland (Pearce Wright writes).

The ship, owned by Greenpeace, the environmental organization, has been strengthened with steel plates so that it can manoeuvre through ice. The journey to the north-west Atlantic is the most hazardous of the 14 campaigns which Rainbow Warrior has carried out. The area is one in which the Canadian authorities have been criticized for not stopping commercial seal hunting.

Photograph by David Jones

## Political bias by school staff denied by authority

From Ronald Faux  
Glasgow

The tirade against Mrs Margaret Thatcher contained in essays by pupils of Possilpark secondary school, Glasgow, was not evidence of political indoctrination by school staff, the Educational Institute of Scotland said yesterday.

The teacher who sent the essays to the Socialist Worker was not at the school yesterday. He has been severely disciplined by Strathclyde Regional Council for acting in an unprofessional manner.

Mr John Pollock, general secretary of the institute, Scotland's largest teachers' union, said it had not disagreed with the decision to discipline the teacher.

The institute, of which the teacher was a member, agreed it had been wrong to release the essays to the press without consulting the school or the parents of the children. It was also concerned about the nature of the material in the essays.

On allegations by Mr Alan Stewart, Conservative MP for Renfrewshire, East, that the children who wrote the essays had been indoctrinated by teachers, Mr Pollock said: "There is no political indoctrination going on at the school. These views are likely to be the views of children and parents in the Possilpark area of Glasgow."

"The feeling there is very strong indeed about unemployment and the state of the country. I would not be at all surprised to find these phrases being used in Possilpark."

The accusation of indoctrination was also denied by Mr William Harley, chairman of Strathclyde council's education committee, and staff at the school.

## 500m likely to see royal marriage on TV

By a Staff Reporter

BBC coverage of the marriage of the Prince of Wales and Lady Diana Spencer on July 29 will be the most comprehensive outside broadcast operation the corporation has mounted. It is expected to cost £150,000 and attract a worldwide audience of 500 million.

Mr Cliff Morgan, Head of

Outside Broadcasts, said yesterday that the wedding in St Paul's Cathedral would be the "biggest and most glamorous event" since the 1936 Coronation of George VI.

Plans announced yesterday envisage 12 mobile control rooms, 60 cameras, 12 of them inside the cathedral, and a supporting cast of 300.

The main commentary will be by Mr Tow Fleming, a veteran of many royal pageants, including Princess Anne's marriage in 1973 and the Silver Jubilee in 1977.

West Country visit: The Prince yesterday began a three-day working visit to his Duchy lands in the West Country (the Press Association reports).

## Profitable traffic in Ulster's terrorist country

## Cross-border cattle smugglers thrive on sterling's strength

From Christopher Thomas  
Armagh

The customs officer stood in a shallow crater blasted out by the Army many years ago and pondered the thick mud that oozed around his shoes. "New prints," he said, "not more than a day old."

Hoof marks were all around, deep and not yet filled by rain, and were made by perhaps twenty cattle. That meant the common agricultural policy had just been cheated of another £1,200 in one minor, successful smuggling operation across the Irish border.

The setting was in a narrow lane winding through the beautiful hills of south Armagh. The crater and a huge, rusting tank of concrete close to it were reminders that this was terrorist country, where scores of lanes and tracks are sealed at the border. That makes them conveniently quiet for smugglers.

The prints in the mud told their story. The cattle were unloaded from a lorry a few paces inside the Irish Republic, herded through the crater and around the big tank and into a lorry waiting on the other side, in Northern Ireland.

Scots would have parolled both sides of the border for several hours, driving through the labyrinth of lanes in case the customs men were about. They would have given the all-clear with a call to a telephone kiosk, or by flashing a torch, hanging a red blanket on a

washing line, sending a citizen's band radio message, or by using one of the various devices employed in an increasingly cunning game.

The stakes are high. At this week's prices, all cattle smuggled into Northern Ireland escape a levy of about £63 a head, depending on the weight of the animal, and about £8 for a pig.

Smuggling has been especially rife since last September because of the high value of sterling against the Irish pound. Since then 1,000 cattle valued at £300,000 in United Kingdom prices, have been seized by the Customs and Excise in Northern Ireland. Had they got through, the smugglers would have made about £70,000.

In bureaucratic parlance, "money compensatory amounts" should be paid on cattle and pigs when they move from south to north, to equalize the value of the green pound, the EEC's farming currency.

The odds are probably stacked in favour of the smugglers, but for those who are caught the penalty is high. They lose the animals, a lorry load of which might be worth £8,000, and the lorry.

The Customs and Excise sells them and often the failed smuggler buys back his own cows and lorry.

Cattle from the republic have a numbered metal tag in the left ear which reveals their origin, colour and sex. They

are tattooed as soon as they legally enter Northern Ireland and a new tag is expected to be attached to the right ear within a fortnight.

That helps Department of Agriculture staff to keep a check on incoming stock. But the tags are not difficult to acquire in a nation of farmers, and forging tattoos has not proved a stumbling block.

Once inside Northern Ireland the smuggler can sell the beasts at an excessive profit or take them back across the border, collecting his "money compensatory amount" as he goes.

Pigs are much easier to smuggle but the profits are smaller. The tag and tattoo system does not apply and the same load of pigs may be moved illegally over the border two or three times a day, collecting the compensatory amounts as they leave Ulster at different official crossing points.

A profit of more than £600 on an average lorry load of 30 pigs is possible in a day.

More stringent safeguards are constantly devised in an effort to thwart the smugglers, but the only truly effective deterrent is out of the control of the customs men and the Department of Agriculture. That is for the Irish pound and sterling to move closer together.

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## IQ test before dismissals is abandoned

From Tim Jones  
Cardiff

The management of the Revlon cosmetics factory at night dropped plans to give workers an intelligence test to determine who should be dismissed in company economies.

Union officials threatened to call the 800-strong workforce out on an indefinite strike if the test were made. They will agree to the loss of the 21 jobs in the credit control department only on a firm in, last out, basis.

co-convener of the General and Municipal Workers' Union at the plant, said the "stupid and ridiculous" scheme had been dreamed up by little emperors who believe people are born with a stamp on their foreheads determining their ability. The company refused to give details of the proposed intelligence test.

## Water charges inquiry 'failed to find waste'

The Government's inquiry water charges had failed to find any waste but had led to financial manipulation which could involve greater cost in the future, Mr Eric Gilliland, president of the Chartered Institute of Public Finance and Accountancy, said yesterday.

Speaking in Birmingham, he criticized the inquiry ordered by Mr Michael Heseltine, Secretary of State for the Environment, after budgets for the water authorities showed increases ranging from 14 to 28 per cent.

As a result of the inquiry by independent accountants, the authorities have trimmed their budgets to reduce the average increase.

But Mr Gilliland, director of finance for the Thames Water Board, said the accountants had to justify their existence by producing suggestions to reduce the rate increases.



## HOME NEWS

## Three men cleared in Bristol riot trial

From Our Correspondent Bristol

Three of the 12 people accused of riotous assembly in St Paul's, Bristol, last April were found not guilty at Bristol Crown Court yesterday on the direction of Mr Justice Stocker. Sidney Clarke, aged 19, Raymond Jones, aged 25, and Nicholas Walker, aged 19, were discharged on the twenty-second day of the hearing after 14 hours of legal submissions by counsel for all the defendants.

The judge, directing the jury to acquit the men, said: "In the case of Jones, his name has not been mentioned in the prosecution evidence from beginning to end. The reasons for the other two are more technical."

The case continued against eight other men and a woman accused of riotous assembly. The woman is also accused of wounding. Police Constable Christopher Haycock. They have all pleaded not guilty.

More than seventy witnesses have said that a crowd of mainly black youngsters stoned the police, overturned police vehicles and fired and looted business premises after a drink and drugs raid on the Black and White Café, in Grosvenor Road, St Paul's.

Two of the accused elected to read prepared statements rather than give evidence. Paul Binns, aged 18, said he threw "quite a lot of stones" because everyone else was, and he did not want to be the odd one out. He said he also helped to turn over a police transit van, but did not think it was a riot. Clinton Brown, aged 24, said in his statement that he never caused the police any trouble. The hearing continues today.

## Producer defies order to stop Sunday show and faces Equity action

By Martin Huckerby Theatre Reporter

Mr Stephen Kendall-Lane, the producer of the variety show, That's Showbiz, yesterday defied an arbitration judgment from the London Theatre Council that he should halt Sunday performances of the show, putting him in direct conflict with Equity, the actors' union.

He announced last night that he intends to continue the performances at the Phoenix Theatre, in London, although he realized that Equity would take disciplinary action against the cast. He said the performances were necessary to bring in the box office income necessary to sustain the show.

The Theatre Council, which acts as an arbitration body between Equity and the Society of West End Theatres, agreed yesterday that it would not deregister Kendall-Lane Productions as a producer if the Sunday performances were discontinued. But it said that Mr Kendall-Lane would not accept that condition and had thus defied the council's order.

Mr Kendall-Lane said after the council meeting that 32 Equity members in the show's cast had defied the union by performing last Sunday. "They will be disciplined now; it could result in their being blacked", he said. But he hoped the cast would continue and that the public would support the show on Sunday. The cast was given Monday and Tuesday off in return for Sunday work but Equity has always opposed general Sunday opening for theatres.

Mr Peter Plouvier, the

union's general secretary, said there would be talks with the cast today. Performers had earlier been instructed not to work on Sunday.

Impressario to rescue: The open-air theatre in Regent's Park, London, which was in danger of closing after losing its grant from the Arts Council, has been saved for this season by a gift of £26,000 from Mr Peter Saunders, the impresario.

For 48 years the annual summer season staged in the park by the New Shakespeare Company has survived the vicissitudes of the English climate, low-flying jets and variable audiences, but Mr David Conville, the company's managing director, said yesterday that they could not have kept going without sponsorship.

He said the company was "absolutely thrilled" by the gift, and was grateful for such a generous offer. Mr Saunders, who produces The Mousetrap and owns the Vaudeville Theatre, said he had been sad when the council stopped the £26,000 grant to the theatre.

It is a unique part of the

London theatrical scene and I

do not know of any theatre like

it in the world", he said. Mermaid reopening: The re-

developed Mermaid Theatre in

the City of London will re-open

on July 7 after being closed

for nearly three years, with 110

extra seats, a stage doubled in

size, new front of house facilities

and a 250-seat children's theatre.

The Mermaid plans to run

productions for six weeks at a

time. Some will be presented

twice nightly, with first houses

starting at 6 pm for the benefit

of City workers.

## Housing in crisis, 2: Manchester bears scars of spending freeze; Liverpool backs home-own

Ban blamed for big loss of jobs and rents

By John Young

The big overspill town of

Wythenshawe, on the southern

edge of Manchester, is pleasant

enough, having much of the

atmosphere of a dormitory

suburb with views of woods

and distant moorland. It comes

as a shock, therefore, to

encounter three-storey blocks

of flats in peaceful avenues

with their windows smashed

and entrances boarded up.

The reason is not hooligan-

ism but the Government's

action last autumn in freezing

all further local authority

housing spending. Manchester

City Council, about to embark

on a programme of moderniz-

ing pre-war "walk-ups", which

are unpopular because of con-

densation from inadequate

heating and because access is

uncontrolled, was forced to

abandon its plans and to leave

the buildings empty.

Mr John Smith, chairman of

the housing committee, admits,

"We are constantly criticised

in the local press because of

the number of empty council

flats. But the contractors insist

on the blocks being emptied

while modernization is carried

out."

Since the moratorium on

spending began, we have not

been able to let any new con-

tractors, the contractors have

had to lay people off, we have

lost thousands of pounds in

rents, and, when work does

start, it will cost more because

of inflation. Where is the

sense in it all?"

The impact so far on new

building projects has not been

too serious, he says. In some

cases, because of the slump in

construction, contractors have

been willing to start work and

wait until April to be paid.

But, like most other local

authorities, Manchester would

have probably reduced its new

building programme in any

case and have spent propor-

tionately more on rehabili-

tation. It is there that the

pinch is being felt.

Manchester is a law abiding

council, Mr Smith points out.

"We implement as far as pos-

sible the policies laid down by

the Government, and in return

we expect some consideration.

Instead, we are being clob-

bered."

"The city has a very good

record in not overspending.

Why should the Government

impose a blanket moratorium,

instead of just penalizing the

overspenders? We have

enough to contend with, with

shrinking resources, without

this."

Historically, Manchester and

Liverpool have tended to go

their separate ways, and hous-

ing proves no exception.



An example of neglected repairs: Houses in Hawthorn Grove, Liverpool.

Whereas more than 55 per

cent of all housing in Manches-

ter is municipally owned,

Liverpool, particularly in the

last few years of Liberal/

Conservative control, has

placed the emphasis on home

ownership. It was one of the

first authorities to encourage

low-cost buildings for sale on

council land.

Indeed, Mr Richard Kemp,

the youthful Liberal chairman

of the housing committee,

claims that most of the Gov-

ernment's schemes for

encouraging ownership were

borrowed from his party.

"They should have been intro-

duced 20 years ago, but ironi-

cally it was the Tories who

insisted on continuing to build

huge council estates. Ideally,

Liverpool should have only

about 25,000 council properties,

instead of 78,000."

He sees the drive for home

ownership as part of a broader

campaign to improve the city's

class and social balance.

"Really we ought to be build-

ing houses for rich people,"

he says in apparent serious-

ness. "What Liverpool needs

above all is more wealthy in-

habitants. A dominance of coun-

cil tenants only fosters the

ghetto mentality."

Belief in the benefits of

more widespread ownership is

not confined to the council, he

points out, nor does it show

itself simply in allowing pri-

vate firms to build semi-

detached houses for sale on

vacant municipal sites. Housing

associations have been equi-

valent.

"Liverpool has the most suc-

cessful programme of hous-

ing improvement in Britain,"

Mr Kemp says. "The build-

ing societies have seen that

works, and have been very

operative."

In the coming year the co-

uncil has no new build-

ing schemes, apart from four

staircase blocks for old peo-

ple. But it had intended a "bil-

l" operation on its 4,000 em-

pty properties and improve-

ment to large estates, such as

at Netherley and Belle Vue,

which have been seriously

dilapidated. The whole pro-

gram is now in jeopardy.

Next: Renewal

## New body to aid London travel

By Michael Bailly

Transport Correspondent

A joint "think tank" is being set up by British Rail and London Transport to coordinate public transport fares and services throughout the London area.

It is headed by the two chairmen, Sir Peter Parker, of British Rail, and Sir Peter Masefield, of London Transport. Other members include Mr Geoffrey Myers, British Rail board member for marketing, and Mr David Cobbe, strategic planner, and Dr Tony Ridley and Dr David Quarby, respectively managing directors for rail and bus at London Transport.

A prime aim is joint ticketing

to facilitate through journeys by travellers, for example from Newcastle to Elephant and Castle, in London, with both systems covered by a single ticket purchased from either source. This practice is common in large European cities, but only partially available in London.

Closer coordination of fares and services, which vary widely even over the same route, is another target, and rationalization to cut out duplication and give an improved service at lower cost.

Better interchange between bus, underground and surface rail is also to be sought, for example by the installation of moving walkways between

places like Euston and Euston

Square, and Fenchurch Street

and Tower Hill.

Coordination of this kind was long seen as desirable but has been frustrated by the conflicting interests and loyalties of the two bodies, reinforced by their loyalty to different masters, the Department of Transport in the case of British Rail and the Greater London Council for London Transport.

At present central and local government are both conserva-tive-controlled but that will change in May if Labour wins power at County Hall on a platform of lower fares and higher subsidies, conflicting with national policies of financial stringency.

Members of the National and Local Government Officers Association had for five months withheld mail containing applications from tenants to buy their homes. The union refused to handle the mail until more staff were taken on to carry out the extra work.

The decision to call off the action was recommended by the union's national emergency committee. Mr Brian Martin, branch assistant secretary, said that all correspondence about house sales, believed to be 300 to 400 letters, would be pro-warded with the next few days.

He added that industrial action would continue in other ways. The council has started an inquiry into the matter, directed by Mr Frank Dixon Ward, the chief executive.

In the Commons Mr Stanley said that Lambeth was one of 15 local authorities being investigated because of their slow progress in implementing legis-

## Nalco ends Lambeth house sales action

By Christopher Warman

Local Government Correspondent

Union action to prevent the sale of council houses to tenants in the London Borough of Lambeth was called off last night after Mr John Stanley, Minister for Housing and Construction, had told the Commons that it represented "the most serious abuse" of the law.

Members of the National and Local Government Officers Association had for five months withheld mail containing applications from tenants to buy their homes. The union refused to handle the mail until more staff were taken on to carry out the extra work.

The decision to call off the action was recommended by the union's national emergency committee. Mr Brian Martin, branch assistant secretary, said that all correspondence about house sales, believed to be 300 to 400 letters, would be pro-warded with the next few days.

He added that industrial action would continue in other ways. The council has started an inquiry into the matter, directed by Mr Frank Dixon Ward, the chief executive.

In the Commons Mr Stanley said that Lambeth was one of 15 local authorities being investigated because of their slow progress in implementing legis-

lation contained in the Housing

Act.

The others are Bolsover, Bristol, Doncaster, Great Yarmouth, Hull, Leeds, Manchester, Sheffield, Sunderland, Stoke-on-Trent, Wolverhampton, Barking and Dagenham, Camden, Greenwich, and Newham.

The Department of the Environment had received about 2,000 letters from tenants complaining about delay, Mr Stanley said. Each complaint was being pursued by the department.

Mr Knight's proposal: Mr Ted Knight, leader of Lambeth borough council, who has in the past refused to contemplate reductions in services, has now proposed a reduction of up to 10 per cent. If approved, that could mean a rate increase of 37.5 per cent instead of 57.9 per cent.

In a letter to members of the Labour majority Mr Knight says that the increase of 57.9 per cent would be pro-duced if the present spending programme was maintained.

By reducing spending, Mr Knight believes, services can still be protected and redundancies can be avoided.

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## In brief

Farmers predict beef shortage

Farmers gave a warning

yesterday of a beef shortage after a government census had shown a reduction in the number of cattle in Britain.

The National Farmers' Union said: "The recent long period of depressed producer returns will lead to future supply shortages. Beef cow numbers are 430,000 below their 1975 peak, and dairy cow numbers have fallen by nearly 100,000 over the past two years."

More steam services British Rail is to run more steam trains between York and Scarborough this summer after last year's financial success.

Eight restored locomotives will be used on the 84-mile round trip, including the Flying Scotsman and the streamlined Sir Nigel Gresley.

Archie Gemmill fined Archie Gemmill, aged 33, the Scottish football captain, who plays for Birmingham City, was fined £60 yesterday at Dumfries Sheriff Court after admitting driving on the A74 in Dumfriesshire last October at speeds of between 94 and 96 mph.

Petrol strike to end The petrol shortage in the Republic of Ireland is expected to be relieved this weekend after the executive of the tanker drivers' union agreed yesterday to recommend acceptance of a £23-a-week rise.

Beatles decline None of the three members of the former Beatles group will attend the religious service at Liverpool Cathedral dedicated to the memory of John Lennon, the former Beatle, who was shot dead in New York.

£100m drugs wasted Drugs costing the National Health Service £100m a year are thrown away unused, Dr Gerald Vaughan Minister for Health, told pharmacists in London last night.

Soho rates advice The Soho Society, in London, has advised residents and traders to apply for rate reductions on the ground that the value of their properties has declined because of the proliferation of sex shops.

Jessie Matthews ill Miss Jessie Matthews, aged 74, the actress, is being treated at St Vincent's Orthopaedic Hospital, Harrow, north London, for a trapped nerve in her neck.

## Health planning jobs for wartime opposed

By Annabel Ferriman

War planning officers are

being appointed by the health service to draw up contingency plans in case of nuclear attack.

A total of £400,000 is being given to regional health authorities for war planning purposes. The grants, of £28,500 each, are to run from April 1. The Department of Health and Social Security is distributing them but they are coming out of the Home Office budget.

The north western authority, the first to seek a war planning adviser, has just advertised in the British Medical Journal offering a salary of between £12,000 and £20,000.

Instructions to regional health authorities were first sent out in 1977 in a circular entitled Organisation of the Health Service for War. Its message was reinforced by the Home Secretary's statement last August that the Government was increasing its commitment to home defence.

Implementation of the circular is being opposed by writers of the 200 community health councils, watchdogs of the health service.

The Southmead council, Bristol, has passed a resolution saying that the regional area health authorities should not put any time or money in planning for war.

Mr James James, a member of the Southmead Council Health Council and of Avon County Council, who proposed the resolution, said yesterday that it was impossible to plan for nuclear war.

He said doctors in the area supported him and felt instructions in the circular saying that in the crisis period up to war all patients should be discharged from hospital, went against Hippocratic oath.

"All these plans are pretence to the population: there is a defence against nuclear war."

But the decision to appoint a war planning adviser in the Southmead area was fended yesterday by the medical officer, Dr A. J. Lane.

He said that preparing health service for war, a second in importance only to planning the country's health service, was a five million lives.

## Convention 'does not give right to ignore union'

By Marcel Berlins

The right to join a trade

union laid down in the Euro-

pean Convention on Human

Rights did not imply that there

was a right not to join a union,

Sir Ian Percival, QC, the Solicitor

General, argued before the

European Court of Human

Rights in Strasbourg yesterday.

He was contending on behalf

of the United Kingdom Govern-

ment that the dismissal by

British Rail in 1976 of three

railwaymen who refused to join

a union after a closed shop

agreement did not contravene

the convention.

"Of course, what happened

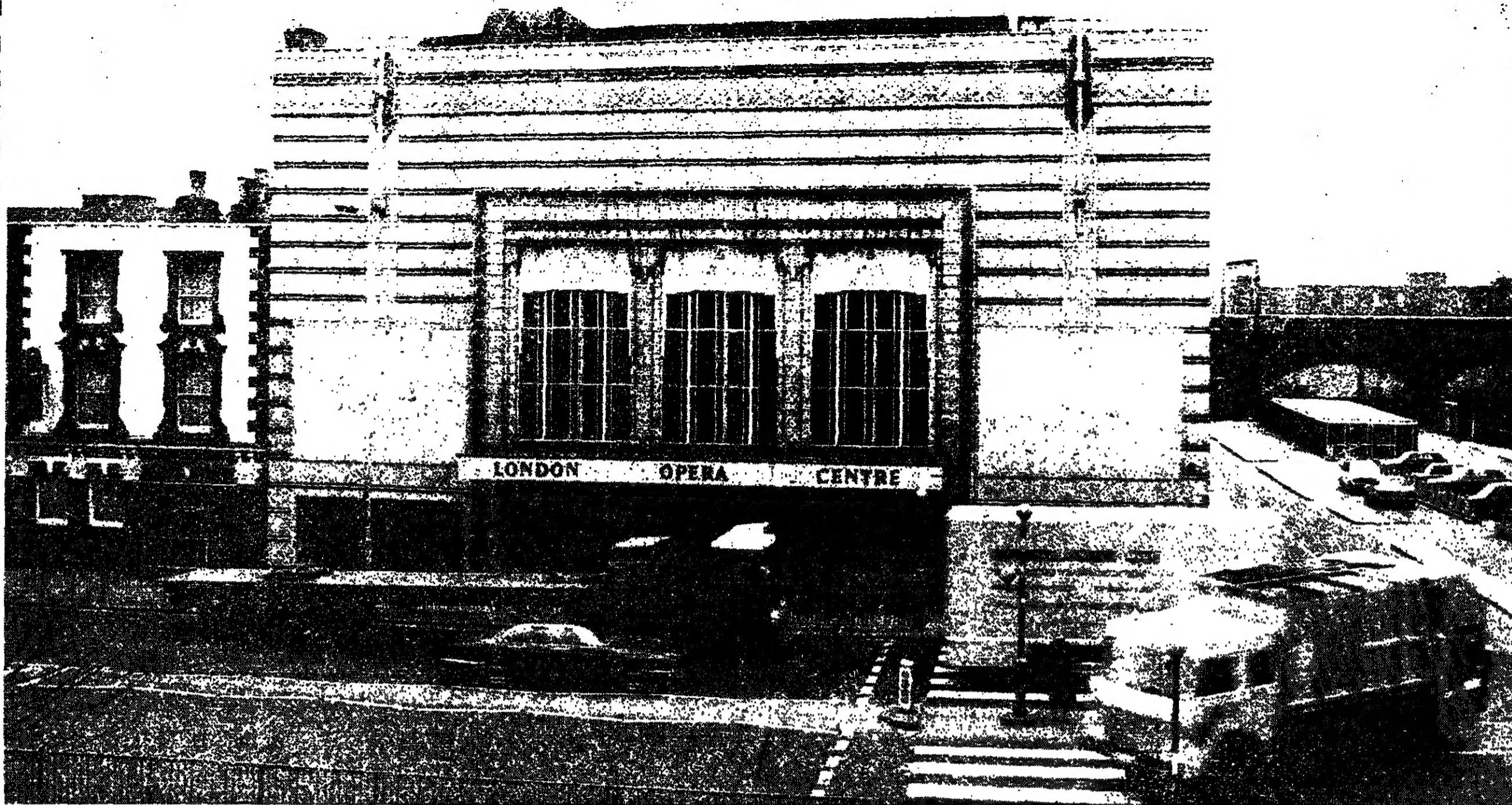
to these men was disgraceful

and we have always said so",

Sir Ian said. "Of course, there

was a violation of human rights





**I**N the picture above you see what used to be the Troxy Cinema. It is now the London Opera Centre. Situated far down the Commercial Road, it isn't really central to anything. Yet for the past 16 years this is where Covent Garden operas have been rehearsed, a good hour's journey from the Royal Opera House itself.

The Royal Ballet fares no better. It rehearses in Hammersmith, several miles in the other direction.

The massive sets in which the artists appear can be found, if you know where to look, stacked in more than a dozen warehouses all over London and as far away as Maidstone in Kent.

It all points, obviously, to lack of space. There is no room backstage at the Royal Opera House, Covent Garden. There is no room to rehearse, no room to make up, to wash or to change, no room to eat, to relax, to store the hundreds of costumes. There is no room to change scenes.

#### THE BACKSTAGE DRAMA.

Every measurement comparing Covent Garden's backstage facilities with those of other major opera houses in Europe and the USA shows our own to be unbelievably impractical.

With a performing stage hardly smaller than that of the Metropolitan Opera House in New York, Covent Garden has less than one-third of the Met's dressing-room and rehearsal space.

The Met has 17,500 square feet of rear and side stage in which to manipulate vast operatic sets during performances and between productions. Our Royal Opera House has no rear stage and no side stage at all.

Conditions which a Parliamentary sub-committee described as "appalling" over 10 years ago have to be enormously improved if the Royal Opera House is to carry on functioning. These improvements entail an initial development plan that will cost at least £9 million.

The Royal Opera House Development Appeal, launched early in 1979, has already raised considerable sums from HM Govern-

## The Royal Opera House, Covent Garden, urgently needs funds for modernisation.

ment, the Greater London Council and private sources. These last have ranged from the pocket-money of young ballet and opera lovers to the thousands contributed by trusts and private companies, including 20 German firms operating in Britain.

The total needed was £78-million. Incredibly this was reached by November 1980. But, because of inflation, every month's delay has added £60,000 to the original building costs.

Phase One of the development, for which the balance of £850,000 is so desperately needed, will provide behind the existing Opera House a building almost as large again to accommodate opera and ballet studios, a chorus rehearsal room, dressing-rooms, an opera wardrobe, offices, improved wardrobe maintenance, general storage facilities and a stage-door complex. A later phase, for which further funds will be needed, will at last provide side and rear stage facilities and includes the reconstruction of about half the adjacent Floral Hall.

#### BRING YOUR OWN CARPETS.

Nothing has yet been said about working conditions during performances. Prima ballerinas and prima donnas (one of whom gamely brings her own carpets and curtains) are provided with embarrassingly mean dressing rooms that would disgrace the sleaziest of hotels, with the nearest shower and lavatory two flights of stairs away.

Inevitably the chorus comes off even worse. For a really large production as many as 100 members of the male chorus have to share a washroom with only four showers and 13 hand basins discharging into an open drain.

And so it goes on. And so, miraculously, do magnificent productions. Night after night out of the backstage chaos comes - sometimes with tellingly long pauses between scenes - the illusion that all is well at the Royal Opera House, Covent Garden. The audience, at least, may count itself blessed. E. M. Barry's superb auditorium defines for many people throughout the world what an opera house should be.

#### FOR THE PRICE OF A TICKET...

Our Appeal has already raised over £8 million from numerous small donations as well as from a few very big ones.

Please don't feel that the final £850,000 is hopelessly out of proportion to what you can afford. Anything at all will help - the price of a ticket, say.

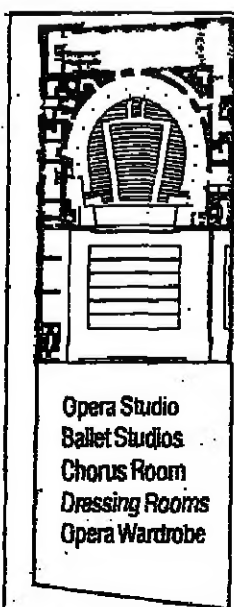
Gifts of covenant greatly increase the value of any donation. For example, £20 covenanted over four years is actually worth £100 to the Opera House. Or four companies each covenanting £1,000 will actually be giving £20,000 between them.

You can have more information about our plans and about covenants and interest-free loans from the address below. Or you can telephone 01-240 1200.

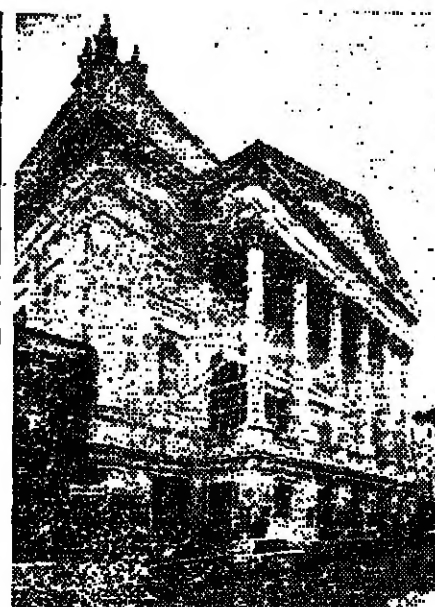
If you would simply like to send a cheque, please make it payable to Royal Opera House Development Appeal and send it to Director, Royal Opera House Development Appeal, Covent Garden, London, WC2E 7QA.

### Royal Opera House Development Appeal.

(Registered Charity No. 211775)



Opera Studio  
Ballet Studios  
Chorus Room  
Dressing Rooms  
Opera Wardrobe













## OVERSEAS

# Thai Premier hopes to form new Government by weekend after nine more ministers resign

From Neil Kelly  
Bangkok, March 4

The divided coalition Government of Thailand broke up today with the resignation of nine more Cabinet ministers, including most of those in charge of economic affairs. Four other ministers had resigned earlier.

General Prem Tinsulanonda, the Prime Minister and commander-in-chief of the Army, would not resign, a government spokesman said, but hoped to announce a new government by the end of the weekend.

The resignations coming after a dispute over oil supplies, almost certainly mean the exclusion from the Government of the middle-of-the-road Social Action Party, which holds 39 seats in Parliament, twice as many as any other party. Its lack of a voice in Government is likely to have repercussions throughout the country.

Mr Boonchu Tejanee, the Deputy Prime Minister in charge of economic affairs, was one of those who resigned today. He and the Social Action

Party have been identified with economic and social measures to help the rural population and to narrow the gap between the rich and the poor. Mr Boonchu also removed much red tape to assist foreign investors.

Although the remodelled Government may be more inclined towards the right and the military, no important changes in these policies are expected.

General Prem has often said he is committed to policies which will bring "more fairness in society".

Senior officers have had discussions with political leaders in recent days but General Prem said the military would not interfere in the government reshuffle although they wanted stability for the country.

Leaders of the armed forces had in the past brought about most of Thailand's political changes by overthrowing the Government on the day.

In the present crisis some senior officers made it clear they wanted the Social Action Party removed from the Govern-

ment because of its criticism of General Prem, and because they opposed the Social Action ministers' handling of the economy.

At what proved to be the last meeting of the cabinet called by Colonel Chamlong Srimuang, Secretary-General to the Prime Minister, preached a "sermon" to the tense gathering, according to a government spokesman.

Colonel Chamlong, who is often called "the preacher" because of his public lectures on Buddhism and his strict adherence to its precepts, told the ministers and conflicts they should all set good examples of behaviour to the public.

Everybody in the Cabinet room liked my sermon because it defused the tense situation", he said later.

In a recent public lecture Colonel Chamlong urged his audience to follow him in leading an austere life. He did not sleep on a bed but on a mat on the floor, never attended entertainments and had decided with his wife not to have children.

# Unesco 'is trying to license journalists'

From Charles Harrison  
Nairobi, March 4

The International Press Institute, which represents more than 1,800 editors from over 60 countries, ended its annual assembly here tonight after approving resolutions on South Africa, Argentina, Portugal, South Korea and moves through Unesco to impose further restrictions on the news media.

The institute referred to Unesco's recent moves to implement measures designed to protect journalists, and said it has no confidence that certain governments, through Unesco, can be trusted with the task of protecting journalists. The latest move, the resolution adds, was "yet another attempt to license journalists while professing to protect them".

The institute said it would continue its fight for the protection of the right of any journalist to collect and convey information "without perils, hazards or other interference". This protection, however, must be meaningful and not an excuse to exercise governmental control.

"Unesco is trying to give respectability to particular governments which in any case have proceeded against journalists and press freedom", Mr. Cusbro Iran, of The Statesman, of India, the president of the institute, said.

The institute protested against the South African Government's "continuing acts of repression and harassment of journalists"; expressed grave concern over the fate of dozens of Argentine journalists who have disappeared during the past five years; urged the Portuguese Government to hand over to the public the ownership and uphold the principles of press freedom; and expressed the hope that the improvement in South Korea since the lifting of martial law would continue.

Another resolution expressed the hope that more funds would be made available internationally to assist the press in developing countries.

Reviewing the problems of the media earlier, Peter Gallinger, the institute's director, said the situation in South Korea and South Africa had caused great concern.

While the position in South Korea was better than it was six months ago, many journalists no longer able to follow their profession. South Africa's introduction of further measures to curtail press freedom was a matter for great concern.

There had been terrorist attacks on journalists in Italy and Spain, as well as in South America, prompting Mr Gallinger to claim that "journalism has become one of the most dangerous occupations".

Mr Hilary Ngweni, editor of the Nairobi Times, criticized the fact that some newspapers in Kenya are still under foreign ownership.

He was copper, and he was cream, and his fangs were inordinate. He danced in the moonlight in the frosty lanes of Oxfordshire and he was very hungry. Still, the rabbit sniffed, he never getting further, dazzled by the headlights, ran straight in front of the car. "Stoat thought: 'There's my dinner' and 'anyway I'm faster' and he too ran in front of the car. Still ran rabbit, always getting further, nearer to his burrow, all unknowing that his enemy was dead. For the car wheels caught stoat, and howled him in the hedgerow and he lay there cream and copper and his fangs were inordinate.

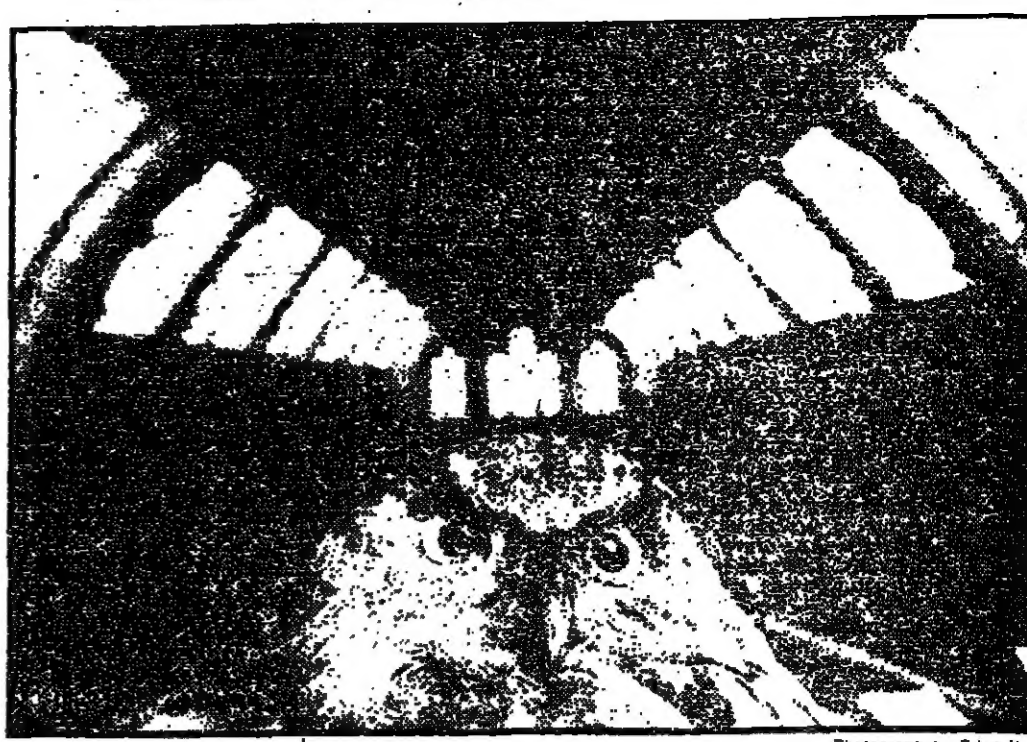
In the morning a man came by and said: "My, that's a fine fellow, not a mark on him, I'll take him and show him to some people." Various people came and looked at the stoat and a woman said: "How very handsome. I wonder if we could have him stuffed?"

Which only goes to prove that women are impossibly inquisitive and quite frequently let themselves in for pieces of information, to say nothing of bills, for which they have not bargained. First they rang the University of Oxford, Natural History department and inquired if the stoat could be made quite different and wonderfully permanent by, say, five o'clock one day very soon. And the University of Oxford, Natural History department said, very politely, go away.

The woman consulted a bright yellow book divided into sections and hunted under Taxidermy. She telephoned a Mr Teasdale in Yorkshire. Mr Teasdale asked the stoat in the deep freeze? Not exactly, came the reply. Could it be posted at once, in ice? Eh, well... Anyway, how much would it cost? £50 to do, plus £30 for a suitable box. But really two days old was already pushing it and a week... so why not consult the oracle in the blue and coffee coloured palace in South Kensington? A great deal had changed since the days of privileged gundown of rare and wondrous beasts and birds, the thoughtless slaughter in pursuit of vicarious masculinity or the passing whim of fashion, the days when the works of the immortal and the eternal would end up on a silty bag or the walls of Fawley Towers. Not enough, according to the

Prudence Glynn

# Catching nature before it is too late



An owl in the new exhibition at the Natural History Museum

latest reports from those concerned with preservation, who can still point to rows of elephant feet destined as waste paper baskets and tin cans of the gentle whale murdered to feed the smelly pellets that man has made of once self-supporting species.

Enough though to make the taxidermy and modelling department of the Natural History Museum a world leader in its field. Confronted with the need to use mostly zoo-bred creatures or to shampoo and refurbish specimens from a less conservation minded age, the Natural History Museum has responded finely both by the development of techniques, and by the presentation of what it has preserved or restored.

The first thing to remember is that animals are not stuffed, as with teddy bears and sofa cushions. They are modelled with the utmost skill, life-likeness of posture, and accuracy of anatomy in a variety of materials. Then and only then is the furry or feathery creature drawn on, some of the pieces since it is called Nature Stored; Nature Studied, and it travels the growth of the collections and the scientific work of the museum. If

a keenly fought game between preserver and audience.

Technically, freeze drying is the New Thing, but before everyone gets very nervous about what is going to be mixed in with the mixed vegetables I should say that this process makes for many problems in larger mammals, which must be posed at the start of the week-long dehydration and over whose collapse or distortion little control can be exercised from then on. Great for birds, tiny mammals, less good for lions.

The year marks the centenary of the Natural History Museum in South Kensington. On May 27 Professor S. R. Andrew Muxley, President of the Royal Society, will open the big new permanent display called Origin of Species, exhibits from which are shown in the photograph, and the Queen and the Prince Philip will visit the museum on the same day. Currently the museum has an exhibition which may be of particular interest to readers of this piece since it is called Nature Stored; Nature Studied, and it travels the growth of the collections and the scientific work of the museum. If

you move fast, your spot is still a bit of a perpetual option your decor.

Bowing to popular demand the new exhibition will have the diorama form of presentation as opposed to a lot of varied settings or what, in a glass coffin hardly fits the inescapable fact that a lot of young student made blasé magnificence; television programmes and magazines abate the wild life all around. Just as society has had to come to terms with the fact that animals, birds and flow which have been taken, granted will never be seen their wild habitat by a grandchildren, so museum must keep up to date with the common, now rare specimens. I suggest a Christmas show entitled I dustbin fox, or survival Britain in the 80s.

After all, only I was it that my copper and creature, measuring with curtain tape, 16 1/2 in from I think nose to black-tipped was a stoat. Twenty years a would anyone have paused? We all sat down in Oxford and said: "That's your fault

## In brief

## MacLehose visit to London

Hongkong, March 4.—Sir Murray MacLehose, the Governor of Hongkong, will visit London next week for talks with Lord Carrington, the Foreign Secretary, Mr William Whitelaw, the Home Secretary, and Mr John Biffen, the Trade Secretary. His six-day visit precedes Lord Carrington's visit to Hongkong.

Sir Murray will explain Hongkong reactions to the British Nationality Bill and the recent increases in the fees of Hongkong students in England.

## Envoy threatened Australia

Canberra, March 4.—Mr Malcolm Fraser, the Australian Prime Minister, criticized the Soviet Ambassador, Mr Nikolai Soudarikov, accusing him of attempting to threaten Australia. Mr Fraser said in Parliament that Mr Soudarikov had told journalists that Australia could become a nuclear target because of its friendship with the United States.

## New Defence Minister

Cairo, March 4.—President Anwar Sadat, Egypt, today appointed Lieutenant-General Muhammad Abdul Halim Abu Ghazala as Minister of Defence and commander of the armed forces, the Middle East News Agency said.

## S Yemen execution

Beirut, March 4.—Mr Muhammad Saleh, Mutea, South Yemen's former Interior and Foreign Minister, has been executed in Aden after being convicted of dealings with Saudi Arabian intelligence, the Beirut newspaper Al-Safir said today.

## Casino fire

Las Vegas, March 4.—About 1,600 gamblers and guests were evacuated when a fire, said by firemen to have been started deliberately, broke out in the Silverbird Casino Hotel here last night.

## Prince Sihanouk eases terms for a coalition

Pyeongyang, March 4.—Prince Norodom Sihanouk the former Cambodian head of state announced in North Korea today that he was ready to drop some of his conditions for setting up an anti-Vietnamese coalition with the Khmer Rouge in his country but asked for Chinese and American aid to create an "independent Sihanoukist army".

He said he would insist on the "essential conditions" of the neutralization of the country after the withdrawal of Vietnamese troops. But he dropped a proposal that would have led to the vacating of the Kampuchean seat at the United Nations, in anticipation of his forthcoming talks with the Khmer Rouge and their ally China.—Agence France-Presse.

## Law Report March 4 1981

# Tomlin Order is used for a new purpose

In re a Company No 003324 of 1979

Before Mr Justice Vinelott [Judgment delivered March 3] Where a compromise is made in an application under section 210 of the Companies Act, 1948, and the petitioner does not seek an order for the compulsory winding up of the company, it is appropriate to embody the terms of such compromise in the form of a Tomlin order.

Mr Justice Vinelott, who gave his name to the order, said: "When an action is proposed to be stayed on agreed terms to be contained in a schedule to the order, the order is: And the plaintiff and the defendant have agreed to the terms set forth in the schedule hereto it is ordered that all future proceedings to this action be stayed."

The petitioner sought an order under section 210 to compel the company or its directors, a majority shareholder in the company, to purchase his shares at a price calculated in accordance with the method contained in the articles of association. The parties reached a compromise on the sale of the shares the terms of which were set out in a Tomlin order. The

court was asked to approve the form of the order.

Section 210 provides: "(1) Any member of a company who complains that the affairs of the company are being conducted in a manner oppressive to some part of the members (including himself) or in a manner falling within section 169 (3) of the Act, the Board of Trade may make an order for the purchase of the shares of the company for an order under this section."

Mr Justice Vinelott said that it was a petition under section 210 of the Companies Act, 1948, which did not seek an order for the compulsory winding up of the company, and had not been advertised. The only relief sought was an order requiring the company or its directors (who were also majority shareholders) to purchase the shares of the petitioner at a fair value according to the articles of association, but the company had been secured by the addition of certain sums which it was said were wrongfully charged against profits or wrongly

diverted to another company. The petitioner was supported by the trustees of the will of a deceased shareholder and together they held only 28 per cent of the company's shares.

The differences between the shareholders had now been resolved and a scheme agreed which provided, inter alia, for the distribution of exceptional dividends by the company during the current and the next financial years and for the purchase of the minority shareholding. In order to mitigate capital gains tax, the purchase was to take place over a three-year period, and the court was asked to decide whether that was an appropriate form of order to be made when an application under section 210 was compromised.

There was no reason why such form of order should not be made, the judge said. The petitioner did not seek an order for the compulsory winding up of the company. If a petitioner did seek such an order, then it was clearly wrong that proceedings should be stayed until the terms of the compromise could be carried into effect since it is an order for the compulsory winding up that was to be subsequently

made. It would relate back to the service of the petition. No order in the Tomlin form had ever been made in the compromise of an application under section 210 possibly because petitioners commonly sought a compulsory winding up order as an alternative to an order under that section.

In the present case there were clear advantages to the parties in embodying the agreed terms of the settlement in a Tomlin order, so that if any dispute arose in carrying out the terms of the compromise, the matter could be referred to the court. There was no possible prejudice to other persons concerned with the company, in particular the creditors, if the petition remained on the file during the period required to complete the sale and transfer of the minority shareholding. On the other hand it would be undesirable that the petition should remain on the file indefinitely, and the petitioner sought an undertaking to apply to discontinue the petition when the terms of compromise had been fully implemented.

His Lordship approved the form of order and made it. Solicitors: Dibb, Lupton & Co, Leeds; Harrison, Leeds.

# Peking coastal ban forces fishermen into shore jobs

From Our Correspondent  
Hongkong, March 4

China's five-month ban on fishing inside its coastal waters by boats from Hongkong is forcing an estimated 1,000 Hongkong fishermen into low-paid building and labouring jobs ashore.

Nearly 200 trawlers, most of them shrimp boats, have been offered for sale, according to the Hongkong Fishermen's Mutual Aid Association. The association has 4,000 members, who have a low educational level and cannot find jobs which will pay them as much as they earned from fishing.

After suddenly imposing the ban in September, in order, it was claimed, to preserve rare fish—the Chinese authorities extended it in December without warning to a belt of 40 nautical miles along the coast from Guangdong to Hainan, provinces, from which Chinese mainland fishermen were also banned.

## Royal brew

Hongkong, March 4.—Queen Margrethe of Denmark will open a new brewery during a visit to Hongkong this year.

## Carnival toll

Rio de Janeiro, March 4.—At least 115 people died in the four-day Carnival yesterday in Rio de Janeiro yesterday.

## Chancery Division

## The Times Cook



Shona Crawford Poole

Of this season, The Country Housewife and Lady's Director of 1727 notes: "In this Month it may not be necessary to observe that Oranges are declining, and waste space; but they are commonly very cheap, and therefore such as have a great Call for Orange-peel, as Confectioners, etc, now buy them in quantities; but a little Carriage by Land will contribute to their quicker decay."

Its author, Richard Bradley, who was appointed the first Professor of Botany at Cambridge University in 1724, goes on to say: "The Orange, though it is not found in every Garden, I esteem it as a necessary Fruit in many Cases, and what a Family can hardly be without; and truly considering how good Oranges we might have in our Gardens, and how easily they may be cultivated against Garden-walls, I much wonder that they are not more generally planted with us."

"There is a very good Instance of their prospering well against a Wall, and thriving in the natural Ground, at Mr Heather's, a curious Gentleman at Twickenham, which Trees bear very well, and bring very large Fruit."

The good professor was indeed writing of orange trees fruiting in England (and not just in glasshouses) as well as of imported fruit. And what he was leading to was a recipe for preserving their juice, useful especially if any produce is so such as have opportunities of vending Punch in large quantities, for such who find that Liquor agreeable to them: I esteem it as a necessary Fruit in many Cases, and what a Family can hardly be without; and truly considering how good Oranges we might have in our Gardens, and how easily they may be cultivated against Garden-walls, I much wonder that they are not more generally planted with us."

"The method which I have taken to preserve this Juice to be used in Punch, was to express the Juice and put it thro' a Jelly-bag, with about two Ounces of double-refined Loaf-Sugar to each Pint of Juice, and a Pint of Brandy, or Arrack, bottle this up, and cork it well with sound Cork, and you may keep it a Year..."

"When you have occasion to use it for Punch, it is at the discretion of the Maker to add what quantity of Brandy, or Arrack, he thinks proper, only remembering that there is already a Pint in each Bottle." No, it would not do at all to forget.

# Juice of a good idea

discretion of the Maker to add what quantity of Brandy, or Arrack, he thinks proper, only remembering that there is already a Pint in each Bottle." No, it would not do at all to forget.

Another old fashioned preserve is lemon curd. New laid eggs may have been easier to come by in Richard Bradley's time, but he would have had greater difficulty storing it. Even with refrigeration it seldom keeps longer than about three months, so make small quantities at a time.

**Lemon curd**  
Makes about 1.35 kg (3 lbs)  
6 juicy lemons  
225g (8oz) unsalted butter  
570g (1 1/4 lbs) caster sugar  
6 large fresh eggs, newly laid if possible

Wash and dry the lemons. Finely grate the rinds and squeeze and strain the juice. Put the juice and grated rind into the top of a large double saucepan (or in a bowl over pan of hot water) with the butter and sugar. Cook slowly over hot water until the butter has melted and the sugar has dissolved completely.

Beat the eggs lightly in a bowl and pour them into the lemon mixture through a fine sieve. Cook the mixture gently, stirring constantly, until the curd thickens enough to coat the back of a wooden spoon. On no account boil the mixture or it will curdle.

Pour the curd into spotlessly clean heated jars. Top each jar with a waxed paper disc, pressing out any air bubbles, cover and label the jars and as soon as they are cool, store them in the refrigerator.

Grapefruit and mint sorbet is a marvellously refreshing first course to serve when appetites are wilted by summer heat. It is equally good as a winter pudding—an unexpected antidote to seasonal stodge and central heating. For those who are old enough to indulge, a plug of well-cured vodka, or schnapps over the top takes a lot of beating.

Herb farms supply mint to greengrocers all year round, so order a bunch if it is not on view.

**Grapefruit and mint sorbet**  
Serves eight  
2 large grapefruit  
300ml (1/2 pint) water  
225g (8oz) granulated sugar  
A handful of fresh mint  
2 egg whites  
2 tablespoons icing sugar

cold. Turn the freezer or freezing compartment of the refrigerator to its coldest setting.

Squeeze the juice from the grapefruit and add it to the cold syrup. Strain the syrup and freeze it until the mixture has the consistency of heavy slush. Beat the egg whites until they are foamy, add the icing sugar and continue beating until the meringue holds stiff peaks. Turn the partially frozen ice into a chilled bowl and beat in very thoroughly. Add the meringue and beat them lightly together. Freeze the mixture, covered, until it is firm, whisking it once more during freezing if necessary.

Notes: a shallow metal or plastic tray or box is the best receptacle in which to freeze sorbets and ice creams. The faster they freeze, the better the texture of the ice. If the finished ice is too hard to serve straight from the deep freeze, ripen it in the refrigerator for about 20 minutes.

Crêpes are a splendidly useful standby for unexpected guests or, well, just a family meal. I like to keep a stack of lacy home-made pancakes in the freezer, but frozen crêpes are also sold by some freezer centres, and I have recently seen plastic packs of large Breton crêpes which keep for months in the storecupboard. Freeze crêpes thaw in moments if spread on a flat surface at room temperature, and all types can be used for sweet or savoury fillings. Any variation on the crêpes Savette theme is a sure winner. The flames and flavours are irresistible.

**Crêpes Suzette**  
Serves six or more  
110g (4oz) plain flour  
1 teaspoon salt  
3 eggs, beaten  
250ml (8 fl oz) milk  
3 tablespoons melted butter or peanut oil  
85g (3oz) unsalted butter  
85g (3oz) caster sugar  
Finely grated rind and juice of 2 large oranges  
3 tablespoons cognac  
Cointreau or Grand Marnier

Sift the flour and salt into a bowl and make a well in the centre. Add the eggs and a little of the milk. Gradually draw in the flour to make a thick, smooth batter. Add the

remaining milk, a little at a time, stirring constantly until the batter has the consistency of a single cream. The batter should be beaten as little as possible. Overbeating will result in tough crêpes. Beat the batter for 24 hours in the refrigerator. Just before using the batter, stir in 1 melted butter. Thin the mixture with a little more milk necessary.

Heat a small, heavy crêpe omelette pan on a medium heat and grease it very lightly with a piece of crumpled kitchen paper. Pour in just enough batter to coat the base of the pan (usually two or three tablespoons) and cook until the underside of the pancake is golden. Run a knife or spatula round the edge of the pancake to loosen it, and turn it over carefully. Cook the second side lightly coloured.

To keep the pancakes warm stack them on a plate over pan of simmering water with leaf of greaseproof paper between each one. To freeze crêpes, simply wrap the stack loosely in foil and freeze in a usual way.

The first one or two crêpes in any batch seldom turn out perfectly. One always seems to waste a couple while adjusting the heat correctly and working out exactly the right quantity of batter to use for each pancake.

A very large frying pan or big, oval gratin dish made of enamelled cast iron is the best for cooking crêpes. For the next part of the recipe, unless you keep a capacious copper jug special for flaming things in.

Melt the butter in the pan on a low heat and stir in the sugar. Cook gently together until the mixture begins to go off just the faintest whit. Careful! For the next part of the recipe, unless you keep a capacious copper jug special for flaming things in.

Now you need to work fast and methodically or the sauce will be soaked up by the first crêpes before the last few are in the pan. Take the first crêpe and lay it prettiest side down in the pan. Fold it in half, then in half again to make a wonky triangle and move it to the side of the pan. Repeat the operation until all the crêpes have been used up. If the first pan is certain to become too crowded to work in, lift each folded crêpe into a second pan as soon as it is done.

Combine the cognac and orange liqueur in a small pan and warm them gently. Pour the liquid over the crêpes, stand back and set light to it immediately. Serve as soon as the flames die down.

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A facsimile reprint of parts I and II of The Country Housewife and Lady's Director, which first appeared in 1727 and 1732, with a glossary, notes and bibliography by Caroline Davidson, is published by Prospect Books, London, price £18.

مكتبة الأصل











# HONGKONG

"I am encouraged to hope that when, on February 5, the Year of the Cock dawns and the cock crows it will be proclaiming that Hongkong will find satisfaction if not feast in the year ahead." This was what the Governor, Sir Murray MacLehose, said at the annual New Year dinner of the Hongkong General Chamber of Commerce. He pointed out that Hongkong faced the second year of this decade "against a background of an unprecedented five-year period of sustained growth".

He went on to list its assets: "Our enviable geographical position, our political and fiscal stability, our budgetary strength, the excellence of our external communications and harbour, our financial services, and the continuing ability of our industrialists to expand markets and of our workforce to keep pace with the more complex work called for".

He also paid tribute to "the friendly support of the British Government and the helpful attitude of the Chinese Government". However, there is a continuing deterioration in Hongkong-British relations after the introduction of the new British Nationality Bill, the sharp increase in fees for Hongkong students studying in Britain and restrictions on textiles.

Instructively, both Chinese communist and Kuomintang newspapers in Hongkong—approved of course by both Peking and Taiwan—have denounced these trends. Despite expected amendments to the Bill, Hongkong residents angrily believe that the new nationality categories will make them second-class citizens.

Happily, Hongkong relations with China have continued to improve since Sir Murray's 1979 visit to Peking, the first by Hongkong Governor since 1949, and his recent discussions in Canton, which fixed the final clampdown on all illegal entrants from China.

The Hongkong-Guangdong border is vanishing. Canton authorities are building a "new Hongkong" type of special economic zone across the border in which Hongkong investment already amounts to \$HK1,250m (£103m). Canton is investing in Hongkong, and Guangdong's exports last year to Hongkong—chiefly food,

livestock and petroleum—were worth \$HK10,000m—or approximately 40 per cent of China's total exports to Hongkong.

Again to quote Sir Murray: "The development of Guangdong and Hongkong is complementary. There could well be room for net expansion of Hongkong industry through the lower costs of some materials and components if they were produced in China instead of imported from overseas and if some land-intensive processes were moved north of the border. Equally to be welcomed is the expansion of investment in Hongkong by agencies of the Chinese Government".

Guangdong has just established a capitalist-style company, Guangdong Enterprises, in Hongkong to conduct on-the-spot business dealings with local and foreign investors.

Mr Zeng Ding-shi, Vice-Governor of Guangdong, told 1,200 guests at a crowded opening ceremony that the company has drawn closer the economic ties between Hongkong and Guangdong. But if the border is disappearing, reinforced Chinese and Hongkong security patrols against the dwindling number of "illegals" are firmly maintained with full cooperation — on land and sea. These patrols have also united in action against smuggling of television and radio sets, watches and clothing into China by Hongkong fishing junks directed by syndicates in both Canton and Hongkong.

In pursuit of suspected smugglers, Hongkong speedboats enter Chinese waters and Chinese gunboats open fire inside Hongkong waters. The smugglers usually receive payments in Chinese gold and silver coins, unguis and herbal medicine.

Chinese customs officials have installed a hot-line telephone on the border to receive round-the-clock calls from Hongkong residents who are prepared to give warning of attempts to smuggle luxury items into China. Those who cooperate will be rewarded with 15 per cent of the value of any goods that are thereby seized.

During the past two months, smuggled goods worth an estimated \$HK7m were seized aboard more than 20 Hongkong fishing junks.

This pragmatic and mutually rewarding relationship between Canton and Hongkong has removed one of the few impediments affecting the continuing survival of Hongkong as an "independent territory".

It had once been feared that another split between rival Canton and Peking factions—now believed to be unlikely—might have led to a Canton takeover to prove that the southern faction was more truly revolutionary than a Peking party rival. The 1967 riots in Hongkong, it was soon learnt, were perpetrated by Canton Red Guards against the wishes and orders of Peking. That can hardly happen again.

The prospects for a safe and happy arrival into 1981, when the treaty leasing the New Territories of Hongkong expires, are now taken for granted. Mr Deng Xiaoping, the Vice-Premier, told Governor MacLehose on his 1979 visit, to "ask investors in Hongkong to put their hearts at ease".

That was not an initial assurance. When the "cultural revolution" was over, a loyal party representative with a visiting fraternal delegation from Hongkong, flushed perhaps by excessive Maoist intake, asked his Peking banquet chairman, a high-ranking Foreign Ministry official, for a forecast of Hongkong's future.

"We have not had time to think about it," the official replied. "Meanwhile I advise you not to worry. Go back to Hongkong and continue to do what capitalists are supposed to do—make money for us and yourself."

The late Lord Thomson of Fleet, after an animated and unbridled hour-long exchange of views with Premier Chou En-lai in 1972, emphasized that he was still

a capitalist and gently sought Premier Chou's advice on whether he should continue to invest in Hongkong. Premier Chou, with a bland laugh, shook his head and said: "I look forward to our next meeting".

One of the new administrative developments and a first step towards real franchise in Hongkong in this Year of the Cock will be the introduction of a management committee and an advisory board in each of the 18 districts on Hongkong Island, in Kowloon and the New Territories—which are steadily being resettled as Hongkong's population increases.

The estimated population at the end of last year was 5,147,900, an increase of 130,900 or 2.6 per cent over the total at the end of 1979. The district management committees will consist of government officers from departments most closely concerned with the provision of services in the districts. Members of the district boards, however, will include non-officials either appointed by the Government or directly elected. Each district board will advise its corresponding management committee on matters affecting the well-being of people living or working there. Any registered voter who has been resident in Hongkong for 10 or more years can become a candidate for election.

This democratic drive for a new community spirit was the brain-child of Sir Murray. Most Hongkong residents, and also the Peking Politburo, would like to see Sir Murray's four-year office again extended when it expires in the April 1982. Now 64, he has been Governor since 1971 and there was general agreement with the recent tribute paid to him by Sir Anthony Bowie, the waiting Vice-Chairman of the British Conservative Party, who said he had been "the best governor since the Second World War".

Sir Murray is in good health and it is presumed that, even if he personally wished to retire, he would undoubtedly remain if he was persuaded that this was popular desire and would be of advantage to Hongkong. It is and it certainly would be.

Richard Hughes



Photograph: Robin Laurant

## Wooing the business visitor

It may not be delicate to mention it, but holiday-makers are not the most lucrative visitors to Hongkong. According to the statistics, business visitors are not only longer but spend more. Travel agencies are therefore devoting much energy to attracting business conferences as well as keeping up the pressure for more tourist traffic.

With these objectives in mind, there has been a surge in the construction of top-class hotels. Projects in hand will provide more than 4,000 extra hotel rooms by the end of 1983. Last October the luxury 604-room Regent Hotel opened on reclaimed land along the Tsimshatsui waterfront, close to the main shopping centre. By the end of the year four more hotels will have opened on the site—the Holiday Inn Harbour View, the Shangri-La, the Royal Garden, and the Regal Meridian.

Next November a new Peninsula Group hotel, the

Marco Polo, opens in Tsimshatsui. The underground railway (known as the mass transit railway) has already improved the lot of the daily commuter, and has also opened up new areas of Kowloon.

Most visitors to Hongkong come from South-east Asia, followed by Japan, the United States, West Europe and Australia, and they are roughly equally divided between tourists and business people.

Britons made up only 5 per cent of visitors last year, and even with a big increase since the cheaper air fares were introduced last summer, the figure remains relatively small. August was the first month that three airlines began competing on the London-Hongkong route, and there was an immediate 69 per cent increase in traffic over the same month in 1979. For the rest of the year the figures were: September, up 41 per cent; October, up 51 per cent;

November, up 39 per cent; December, up 63 per cent. Cathay Pacific, one of the new airlines on the route, reports that it is making a "substantial" profit on the traffic, although that may be an overstatement. Mr Duncan Black, the head in Hongkong of the Swire group, owners of Cathay, said recently: "We have moved up three flights weekly to five, and we are going daily in July. The only problem is that the fares are a bit low but they will gradually come up."

He added that it was a fact, which was accepted at one of the licensing hearings, that the average cost of producing a seat from Hongkong to London was about £220. "Our low-end seats are being sold for about £160, British Airways and British Caledonian have not themselves in terrible strife by having stand-by fares which they cannot support, such as the £59 fare."

Although £220 is the cost, if you have enough top-end

business you can subsidize the others. He expected that during 1981 the bottom-end fares would have to go up to at least £200.

The introduction of short-tours to China over the past few years is proving a big attraction for visitors to Hongkong. For the equivalent of about £100 you can go to Canton by hovercraft (it takes about four hours) and spend two nights and three days getting a swift taste of life in China. The accommodation is spartan, but the Chinese are making strenuous efforts to build hotels of a high standard.

Overall, Hongkong is maintaining a steady growth in the number of visitors. The increase in 1980 was about 4 per cent over the previous year.

There was a drop last year, however, in the number of Japanese visitors, although the position began to improve around September. The reduction partly reflected the economic con-

ditions in Japan, but the colony also has a bad reputation among many Japanese for standards of service as well as for petty crime.

Christopher Thomas

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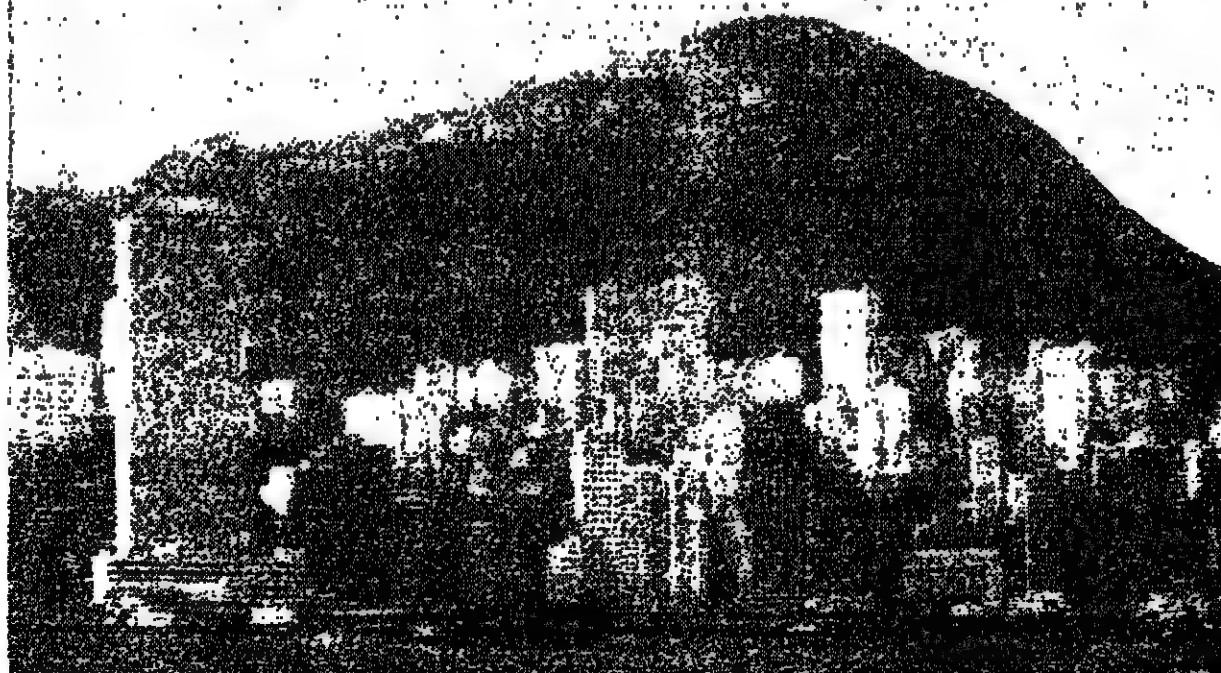
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## HONGKONG

## Economy

# Happy accidents lessen trade deficit

Hong Kong may be a borrowed place living on borrowed time, as one commentator has aptly described it, but it also has a way of being in the right place at the right time. Precipitous accidents of position and timing have accounted for much of the colony's economic success in the past, and last year was no exception.

Just when the gathering clouds of recession and protectionism in Hong Kong's main export markets—for clothing and textiles in particular—were beginning to shorten order books and to increase unemployment, the traditional entrepôt trade with China revived strongly. This helped to keep the visible trade deficit within manageable, although still worrying, proportions.

Equally fortuitous events helped Hong Kong in the previous year. An influx of refugees from China and from Vietnam put a heavy burden on housing and other social services then but it also provided a pool of new labour to keep wage rates at internationally competitive levels.

It is hard to see, however, just what factor may intervene this year to bale Hong Kong's economy out of more serious trouble. Inflation is rising, double-digit inflation and possibly an even wider trade deficit.

Indeed, in his annual budget on February 25 Sir Philip Haddad-Cave admitted that the growth rate of Hong Kong's total exports will fall to 12 per cent in 1981 compared with 12.7 per cent last year, with falls in both exports and re-exports. He also forecast a drop in imports but the negative aspects of this is that it implies some slowdown in business activity which could damage even the reduced prospects of the export sector.

Sir Philip predicted a fall in Hong Kong's gross domestic product increase this year, to 8 per cent compared with 9 per cent last year, but this at least is expected to slow the rate of consumer price inflation down from 15.5 per cent last year to about 12 per cent this year. Proposed moves to change the regulatory framework affecting banks and finance companies should also help to bring the runaway money supply back under some sort of control.

As usual, Sir Philip's forecast was way off track. The estimated surplus for 1981-82 is now put at HK\$9,320m against the figure of HK\$2,900m originally budgeted for. Once again soaring revenues from public sales of land (all of which the Government owns in Hong Kong) have produced a large surplus.

This looks good in the short term but local business leaders are becoming increasingly critical of the Government's refusal to make cheap land available for industrial development. With revenues "flushing", the Financial Secretary was able to reduce corporation tax by half a



Trams are still an important part of transport in Hong Kong.

point to 16.5 per cent and to give concessions on the level of income at which Hong Kong's standard rate of 15 per cent personal income tax becomes payable.

The trade deficit rose by HK\$3,500m last year to HK\$13,400m as imports rose somewhat faster than overall exports and much faster than domestic exports. The saving factor was re-exports (mainly goods and materials imported from China and re-exported), which rose 50 per cent in value.

These re-exports consist mainly of raw materials and semi-manufactures such as yarns, fabrics and clothes, as well as pearls and other precious stones and electrical machinery. How strong they will continue in 1981 depends on whether China's major trading partners reallocate in any way against that country's slowdown on capital goods imports. Hong Kong's trade with its neighbouring Portuguese colony of Macau has also been boosted on the back of the revived China trade, but here again further growth is problematical.

Meanwhile the job creation potential of the entrepôt trade is limited and despite the extra work needed in processing re-exports the number of people employed in manufacturing is actually falling now. This reflects a decline in orders for textiles, plastics, electrical goods and metals in Hong Kong's important markets in the United States and Europe.

This shrinkage began in the second half of last year and has led to increasing numbers of lay-offs and short-time working in manufacture, as well as to reduced real wages at current inflation levels. It has also led some weavers to turn their factories over for property development where profits are much higher and faster.

Hong Kong's internationally recognized financial services remain generally buoyant but

again their job creation impact is limited. The financial sector now employs about 125,000 people against nearly 900,000 in the manufacturing sector and 447,000 in import, export businesses, shops, hotels and restaurants.

Unemployment, at 4.3 per cent (last September), is not yet a serious social problem (for the Government at least) although with no unemployment benefits available it is hard enough for those unfortunate enough to be out of work) but it may become more so. The Government admits that rising wages and expectations are making the younger generations at least less ready to accept Hong Kong's traditional philosophy of flexibility in employment and wages during recession.

Increasingly, voices within the Chinese community—the overwhelming majority of Hong Kong's (probably more than six million) population—call for a wider industrial base and policies to encourage foreign investment. But the ruling British minority clings tenaciously to its policy of not telling private enterprise what to do and of non-discrimination between foreign and domestic investors when it comes to incentives.

Inflation running at 15.5 per cent in the year to last November—one of the highest increases in South-east Asia—is making life even harder for the unemployed and those on short time. A good deal of this inflation is imported, by the rising cost of fuel and raw material imports. Food prices too are rising rapidly. But a huge increase in Hong Kong's money supply and credit creation last year is certainly another factor.

There is a good deal of debate going on about whether the increase in money and credit is really as bad as it looks. The M3 money supply leapt by 34 per cent in the year to last November and total credit to the economy (bank and quasi-bank lending) by a startling 50 per cent. The official argument is that much of this credit goes off shore and has little or no impact on the domestic

economy, but no one knows for sure how much the official statistics to determine the true trend are only now under preparation.

It does not take even the casual visitor more than a glance at Hong Kong's concrete landscape and its myriad office and apartment blocks to compute where a good deal of the money supply is going, however. It is going into real estate, which continues to command ever higher prices and rents. If demand for office space and luxury flats for expatriate staff were to ease off in line with lowered expectations for trade with China, a lot of banks, and deposit-taking (finance) companies in particular, could get their hands badly burnt, despite the fairly low financial gearing of Hong Kong's property sector.

Again, though, chance (rather than conscious planning) being what it is in Hong Kong, it looks as though China's offshore oil programme will attract enough oil men to the British colony to prop up the property sector, to some extent at least.

An active property and stock market always go hand in hand in Hong Kong and the Hang Seng index is demonstrating that real estate stockmarket counters can climb as high as the towering blocks sprouting up everywhere. Again, the market and many of the deposit taking companies financing margin speculation would be highly vulnerable if the property market fell badly.

One consolation for middle-income Chinese groups and for those foreigners who do not enjoy the luxury of company flats—the poorer Chinese live in government housing or just shacks, junks and sampans—has been the official control over residential rents introduced (reluctantly) last year. This has kept the rise in the housing component of the consumer price index well below that in food and services.

The opening of the Mass Transit Railway's first phase between Kowloon and Hong Kong Island has also made

life easier for millions of commuters, although the cross-harbour fare, at four times the cost of a ferry ride, has probably kept underground trains emptier than they might otherwise have been. Traffic on the MTR also appears to be below projections.

Plans to open a new Island Line (financing it largely from assumed development profits on pre-sold land around the MTR terminals) will cost about HK\$7,000m between now and 1986 (meaning that the MTR will have cost about HK\$20,000m by then) and should ease surface congestion and improve the railways' pay-off. But it will almost certainly push the money supply spiral even higher, too, and cause the now cooling public construction sector to overheat again. Plans for a new airport and for a road bridge linking Hong Kong with Lantau island may well have to wait in view of the surprise decision to extend the MTR so soon.

How fast Hong Kong can improve its standard of living depends (now that the refugee influx has mercifully slowed) on how quickly world trade and traditional industries' order books pick up, as there is slim chance of the Government going for any large-scale diversification of the economy.

Services fortunately remain fairly buoyant—contributing HK\$12,350m to the overall balance of payments in 1980. Tourism is one of the most crucial services and full-fall in Japanese arrivals last year was more than compensated for by an increase in numbers from the United States, Australia and Europe (particularly Britain). But how long tourists will continue rushing to China (by way of Hong Kong), given the high cost of such journeys, and how long cheap air fares into London can survive, remains to be seen.

Anthony Rowley  
business editor,  
Far Eastern Economic  
Review

## Finance

# Stockmarket boom gives false picture

The continuous rise of Hong Kong's stockmarket last year hardly makes it a good barometer of the economy. Its readings were distorted by a ridge of (very local) high pressure in the corporate sector. While the economy was slipping further into recession, the trade gap widening and inflation rising, the Hang Seng stockmarket index more than doubled to over 1,600, where it approached its record high level of 1973.

This remarkable performance, which has continued into this year, has taken place against a backdrop of seething speculation in the market about corporate takeovers and realignments—some rumoured, some realized. Most notable among these was the short and bloody (for certain shareholders) mid-year battle for control of the land-rich Hong Kong and Kowloon Wharf Company, in which Sir Yue-Kong Pao, the shipping magnate, thwarted Hong Kong Land's bid for control of the company and ended up with 49 per cent himself.

There were a dozen big takeover deals in Hong Kong last year involving cash and scrip issues to a total value of about HK\$1,400m. That the partial bid for Hong Kong and Kowloon Wharf left some shareholders without a look-in elicited a little more than a modest rebuke from Hong Kong's Committee on Takeovers and Mergers. The incident re-emphasized how powerful are some of the business personalities (arguably more so the Chinese than the English) now in Hong Kong's economy and that the rules are flexible when their interests are at stake.

Sir Yue-Kong Pao having got control of Hong Kong-Kowloon Wharf (provoking

a—probably well grounded—suspicion that he will increasingly shift his assets from shipping into real estate), even more remarkable things followed. In November the two biggest expatriate-run hongks (trad- ing houses), Jardine Matheson and Hongkong Land, closed ranks against the Chinese threat (specifically from property tycoon Mr Li Ka Shing's Cheung Kong Holdings) by strengthening their cross shareholdings. Jardine Matheson ended up with 33 per cent of Hongkong Land and (more important from the point of view of a mutual defensive strategy, as Jardine had become the more attractive takeover counter as a cheap way into land) Hongkong Land with 30 per cent of Jardine Matheson.

The battle lines between Chinese and British business interests had thus been firmly drawn. The writing was on the wall a year previously when the Hongkong and Shanghai Bank sold out its 22 per cent stake in the (also land-rich) Hutchison Whampoa company to Mr Li Ka Shing, after he and Sir Yue-Kong Pao (who had earlier been interested in Hutchison himself) apparently decided who should go for which (British) target.

The bank has manoeuvred cleverly in all this, doing deals with the Chinese in Hong Kong while continuing to build up a higher base outside the colony—in the United States by acquiring Marine Midland Bank and in the United Kingdom through the takeover of the merchant bank Anthony Gibbs last year.

In Britain, or in most other places having a takeover code, both of last year's big control-shifting deals would have involved a full takeover under the rules. But in Hong Kong there was

one for 50 years—was forced to introduce a few more meaningful rules into the jungle of corporate dealings. Earlier this year it called in a British company law expert, Mr Barry Rider, a fellow of Jesus College, Cambridge, to look not only at company law as such but at the commercial crimes division, the police and the Attorney General's office as well.

A revision of the colony's company law—the first major one for 50 years—was shadowed by a Bill introduced last August into the official Legislative Council, though it has yet to be enacted. The Bill seeks to abolish the much used and abused practice of allowing companies to have corporate

bodies as their directors, a device used by many companies to mask their true ownership. But it does the equally important issue of making disclosure of shareholdings and dealings compulsory. Overall, the Bill plays with reform only on the sidelines.

Reform comes slowly in Hong Kong—almost inevitably after the event or after the mishap—but it is proceeding. In December the Government enacted the Money Lenders Ordinance to restrict the activities of, usually Chinese, loan sharks. The legislation makes anyone charging an annual interest of more than 60 per cent on a loan liable to a heavy fine or up to two years in jail. It also requires money lenders to be registered and to keep records of all transactions.

Since then, the local police claim to have broken the activities of a number of loan-shark syndicates which have been charging unreasonably high rates and demanding borrowers' savings account books. The activities of these ubiquitous (often Triad-run) syndicates range from financing gambling to sponsoring stockmarket speculation.

In the banking sector there was little evidence last year of a slowdown in the economy, though mainly because a large part of the huge increase in credit creation was attributable more to the booming property sector and to domestic manufacturing. Bank profits were somewhat attenuated compared with 1979. The Hongkong and Shanghai Bank for instance saw net profits rise 19 per cent in the first half of 1980 against 37 per cent in the corresponding period of 1979. But with local "best lending"

(prime) rate at record levels of up to 17 per cent that was not surprising.

The other hongks all reported respectable profits rises with the exception of Swire Pacific which saw its overall profits wiped out by (not untypical for the airline industry) losses at part-owned Cathay Pacific.

Last year saw a number of innovations in the banking sector. Certificates of Deposit denominated in United States dollars were introduced as a means of boosting the local money market and putting Hong Kong in a better position in relation to Singapore. A funding centre for the Asidollar market. But unlike their highly successful counterparts denominated in Hong Kong dollars, the United States dollar instruments met with only modest success. This suggests that Hong Kong is more a taker than a provider of offshore funds and that (with varying degrees of ambiguity) can still be devil funding activities in the colony.

Whether the launch early this year of United States dollar floating rate notes will be any more successful remains to be seen. Another damp squib so far has been the Hong Kong gold futures market, opened in March last year. The market's strong performance about that time. Most local demand seems to be for the physical commodity rather than the futures and that is where the long-established Chinese exchange excels. Undaunted, however, Hong Kong is still planning to open a currency futures market to add to gold and the still sluggish futures markets in cotton and soyabans.

a Special  
Correspondent







## HONGKONG

## Property

## Second most expensive real estate in the world

Commercial and residential property prices in Hong Kong have tripled since 1977 and prime sites in the Central business districts are now second only to the City of London as the most expensive real estate in the world.

Late in 1980 a site on the edge of the Central area suitable for office development was auctioned by the Hong Kong Government for the record price of \$HK26,245 (£2,125) a square foot. (All land in the colony is owned or leased by the Government, which grants leases to purchasers.) Land costs of this magnitude, coupled with a general maximum plot ratio of 18:1, have pushed up the purchase price of top-class office accommodation over \$HK5,000 a square foot. Residential accommodation has experienced a similar growth rate, and apartments of more than 1,500 sq ft in better residential areas sell for more than \$HK2m.

At the root of this large increase in accommodation costs has been an unprecedented influx of foreign companies, particularly banks, keen to establish a

bridgehead in Hong Kong. For commercial companies the attraction has been the China trade, which was widely expected to grow rapidly after the normalization of relations between the United States and China. Banks and financial institutions have arrived in numbers in the colony as its bond, loan and money markets have grown under the Government's laissez faire economic policies.

Since May 1978 a further 41 foreign banks have opened Hong Kong branches, bringing the total to 115, despite a government moratorium on new licences imposed in August 1979. Even more financial institutions have established deposit-taking companies to tap the vast sums flowing into the colony from neighbouring South-east Asian countries.

According to statistics from the Commissioner for Banking there are 279 such companies operating at present. All these institutions want office space in the highly regarded Central district and their expatriate staff want houses or apartments on the Peak. Until recently almost all such accommodation was rented, but as office rents increased from \$HK10 to \$HK30 a square foot a month and those of high quality residences trebled or quadrupled to \$HK50,000 a

month or more an increasing number of institutions decided to buy their accommodation. This has led to a sharp reduction in yields, which now average 7 per cent compared with 10 per cent four years ago.

The biggest recent purchase was by the Bank of America (Tower) for approaching \$HK1,000m. The history of Gammon House illustrates the wheeling and dealing which is a major feature of Hong Kong's property market.

The building was constructed and owned until 1973 by Jardine Matheson. It was then sold to Jardine's associate, Hong Kong Land, the colony's largest property company, for \$HK175m. In 1979 Hong Kong Land sold the building to the Carian Group, a mysterious company representing undisclosed South-east Asian interests. In 1980 this company sold Gammon House to another company owned by anonymous foreign shareholders, Bylamsco, for \$HK1,680m, and later in 1980 Bylamsco sold the majority of the 40-storey building to Bank of America.

Not only the top of the market but also the middle and lower tiers have experienced rapid movements. Property speculation rivals the stock market and horse racing as the favourite local form of gambling. Small investors have been able to participate directly in the property boom because of the unusual method by which developments are financed in the colony. Until recently it was possible for a developer to construct a building while providing less than 10 per cent of the cost from his own funds. Many of today's big local property companies, such as Mr Li Ka Shing's Cheung Kong Holdings and Sun Hong Kai Properties, financed their growth by using government and public funds.

Land was the most expensive item, frequently accounting for 70 per cent of the total cost, but the Government accepted deferred payments spanning several years at attractive interest rates. A developer who owned land needed only before he could pre-sell units in the building to end-users and speculators. They paid a deposit and then made progress payments as the development neared completion, financing the cost of construction.

This method was obviously attractive to developers, but it also captured the Hong Kong public's imagination, and in 1980 queues camped overnight outside property

company offices to secure prime lots in forthcoming developments.

A lively secondary market in partly paid contracts also developed and opportunists were even selling their places in the queues of people waiting to place their deposits. But this trend, and the soaring property prices it produced, suffered a big setback in mid-1980 when the Government introduced residential rent controls, giving tenants security of tenure and limiting increases to 21 per cent every two years. It also hinted that controls on commercial rents and pre-selling developments were being considered.

This had a profound effect on local property investors, who had come to take the Government's laissez faire attitude for granted. The market in small flats, the most popular form of pre-sold development, dropped by 20 per cent in a few months and many speculators were left with unsalable contracts. The move also created a two-tier rental market as landlords increased rents being asked for new residential property by as much as 100 per cent to avoid being left behind by subsequent increases. This has led to newcomers in sought-after locations paying two or three times more rent than their established neighbours.

The only sector of Hong Kong's property market which has not experienced big price increases is industrial accommodation. Stagnation in the colony's manufacturing activity has left little room for expansion. A square foot a month prompting owners of factories in suitable locations to convert their buildings to offices. In more remote areas of the New Territories the Government is trying to attract new industries by offering sites on industrial estates at attractive rents, but apart from a Carlsberg brewery it has had little success.

Many businesses have been discouraged by the difficulty of attracting skilled workers to such locations, and Hong Kong is now falling behind Singapore in its attempts to foster high technology manufacturing, despite relatively low accommodation costs.

Local estate agents give a warning that the upward movement of rents and capital values will not continue at its present pace, and several forecast that 1981 will see stagnation in all but prime office properties. Their reasoning is that supply, which has lagged behind in the past two years, is now rapidly overtaking demand.

Paul Wilson

## Immigration

## Illegal entries have effectively been stopped



British soldiers question an illegal immigrant.  
Photograph: Andrew Ward

Hong Kong's population problem will be formally assessed when the 1981 census, which begins in mid-March, is completed. Until the planners have a more accurate picture of the population, the provision of housing, medical and welfare services and the setting up of other social projects can be little more than the drawing of blueprints in a dimly lit room.

The problem of estimating the size of the population has always been aggravated by illegal immigration from China. Since October 23, 1980, however, this influx has effectively been stopped.

On that day the British administration abandoned its liberal, but socially disastrous, policy of allowing all mainland Chinese who entered the colony illegally, but who managed to evade capture, to remain. The risk of capture was greater at the land frontier and the sea approaches to Hong Kong, and evaporated once the illegal immigrant reached the urban areas, where he could turn up at Victoria Barracks and apply for a Hong Kong identity card the next day.

But from October 26 onwards there was a three-day grace for all illegal immigrants who had entered before October 23 to apply for identity cards 'carrying' documents which became compulsory throughout the colony, and anyone found without one (if he turned out to be an illegal immigrant) would be repatriated.

Fines of up to \$HK2,000 (£165) were imposed on residents who failed to produce an identity card on demand by the security forces. Employment of people with no identity cards or other specified documents was also banned. Fines of up to \$HK50,000 and three years in jail were heavy deterrents.

However, the expected rush for identity cards never materialized. Immigration officials had prepared facilities for up to 100,000 applicants, but when the 72-hour grace period ended, only 6,952 had surfaced.

Almost immediately after this, a new problem emerged—the 'leakage' from Macau and the Indian sub-continent caused by the same new employment ban, but who were not given a grace period during which to register for legal residence. A number of illegal immigrants from Macau quickly organized themselves to petition Sir Murray MacLehose, the Governor, for an amnesty. The authorities, however, steadfastly refused, despite a great deal of public sympathy for this category of 'illegals'.

Community leaders argued that this minority had never been a burden on the economy; many had raised families and settled peacefully in the overcrowded colony.

The processing of these Macau and sub-continentals is still going on, but a few have been repatriated. Illegal immigration from China and Macau is now down to a trickle and those captured have attempted to enter during the holiday breaks at Christmas and the Chinese New Year. Most maintain they were unaware of the new policy.

Thousands of identity cards have been reported missing but the police are unable to say whether these have been stolen for purposes of forgery or lost through carelessness.

The fear that the tough policy would create an illegal sub-world has so far not been substantiated although police sources say as much as 64 per cent of armed robberies of goldsmiths' shops and other violent quick-cash crimes are committed by 'illegals'.

Scrapping the 'touch-base' policy, however, has plugged only one immigration hole; an average of 150 Chinese are still entering the colony legally every day and officials say this number is still much too high. Legal immigration from China at this rate adds 52,000 people to the population each year, and the Government wants this to be reduced to 50 a day. Talks with the Chinese authorities on this issue, if they have been held, have not been publicized.

Most Chinese who enter legally stay on: only 3 per cent eventually return home, immigration officials say. The Government is consequently applying stricter rules on visa extensions.

Now that immigration is not such a problem, the Government is faced with the unenviable task of creating a better social environment for the population, officially estimated at 5,067,500 in June, 1980.

The only person who thinks this figure is 'probably correct' is the Director of the Census and Statistics Department. Everyone else believes there are at least six million people in Hong Kong. Such estimates are based on rough visual surveys of overcrowded hospital wards, schools and public transport facilities.

If the population census does show a much higher figure than 5,100,000, the problem of providing adequate social services will be enormous.

Some \$HK3,500m (£289m) is already needed to build enough public housing, hospitals and clinics, schools and industrial training workshops for the 350,000 Chinese estimated to have entered legally and illegally since January 1978. All this would

only maintain existing levels of service, according to the Government. Observers quickly add that existing levels are already far from adequate. There is also the problem of unemployment: the latest Labour Department figures show that 101,500 people are unemployed—4 per cent of the working population. Although Hong Kong's unemployment rate can hardly be deemed a problem in

international terms, the social effects of even a limited recession in this overcrowded colony cannot be taken lightly. This dip is already evident in the manufacturing sector, which employs 42 per cent of the workforce. Of this, 54 per cent is said to comprise immigrant Chinese youths, most of whom are barely literate and will not find work in a slack labour market. Their discon-

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## Defence

## Easier times for the garrison

The popular impression of a Hong Kong posting as a sunny vacation for soldiers bored with life at home or in West Germany has been outdated by events of the past five years. But the life and hard times of the 6,000-strong garrison should become a little easier during the 1980s.

The garrison was reduced to its present size under the Defence Co-operation Agreement (DCA) of 1976, which also committed the Hong Kong Government to pay three quarters of the cost of maintaining it. Britain withdrew an infantry battalion, an artillery regiment and an armoured reconnaissance squadron, removed one of the two brigade headquarters, and made other cuts in the naval and RAF strengths.

Of those remaining only 1,500 are British. These include an infantry battalion with six (temporarily eight) Scout helicopters of the new £7m tower block at

Army Air Corps; a Royal Navy contingent of nearly 500, with five elderly patrol boats, which are converted Ton-class minesweepers; and 265 RAF men equipped with eight Wessex helicopters. Negotiations are going on to replace the naval craft with new, purpose-built, patrol boats, but the RAF is happy to retain its Wessex helicopters which, it says, are ideal for the job. There is also a Royal Marines small boat section, on temporary reinforcement duties, which might well remain.

The rest of the garrison is made up by three of the Army's five Gurkha battalions, all of which are stationed in the New Territories, as is the brigade or field force headquarters. The British battalion has its home at Stanley Fort, on the far side of Hong Kong island. But the Commander British Forces (CBF) and his staff have their headquarters in a

HMS Tamar, the old naval shorebase. The CBF recently moved there from Victoria Barracks, the leafy compound where his predecessors had administered the pax Britannica for 135 years. The present CBF is Major-General John Chapple. He is a former China officer, but that is a rare coincidence.

The garrison has several roles, the least convincing of which is to defend Hong Kong against external aggression. The main external threat to the tiny colony is that China, which recognizes Hong Kong de facto but not de jure, might one day press for its return to Chinese rule. There is no imminent danger of the Chinese doing so, but if they did nobody pretends that the garrison could stop them.

The troops also undertake a certain amount of community relations work, running youth camps, building roads and fetching water in times of drought. But this

activity has declined recent years, partly because it takes time and money, but also because the locals, not thought to have been very appreciative.

The main role is that internal security, acting support of the police as Army does in Northern Ireland, although Northern land does not represent very happy analogy. Nevertheless there were big riots in 1967, as an overpopulation of the People's Republic, in which so many people in a small space, the police would probably not be able to cope on their own trouble required.

Most of the garrison time during the past five years has been monopolized by the problem of the immigration. Last year Chinese were caught, on average, each day by British and Gurkha patrols on border—and nearly 50 continued on facing p

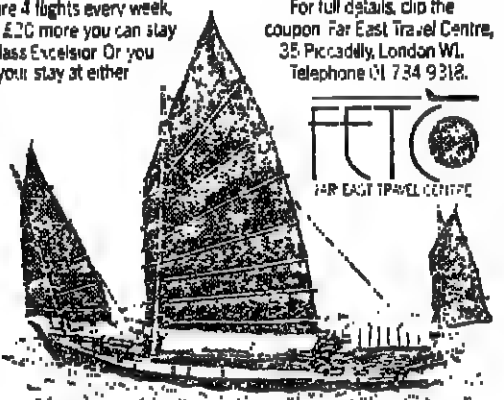
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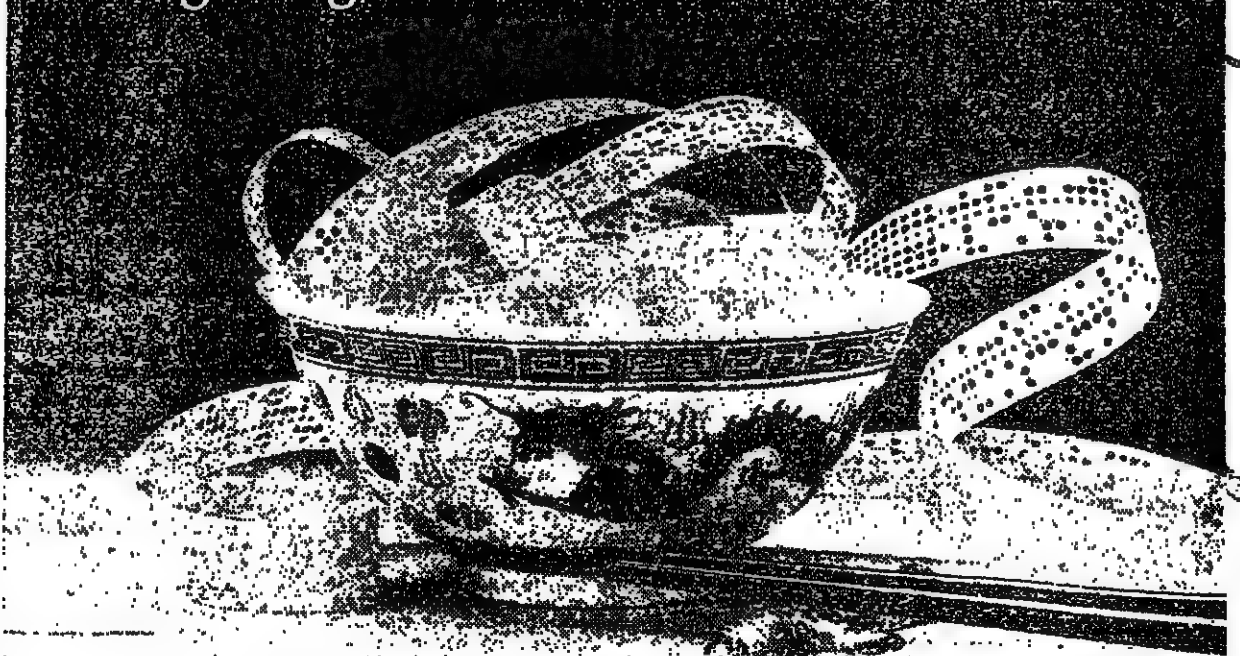


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## Printing

## Hurtling out of space came the 'Herald Tribune'

Asian journalists had to contend with an invader from Europe when the *Herald Tribune* came hurtling out of space in September and staked its claim to a place in the world's major growth area.

The *Tribune* which was already selling 2,000 copies in Asia despite arriving at least two days late, is aiming to increase circulation tenfold, although its break-even point is somewhere about 16,000 copies. It is giving itself three years to make it with its Asian edition sent by satellite from Paris and printed in Hong Kong.

While it is still too early to forecast whether it will meet its target—although the dismissal of the editor in Paris and a drastic reorganization of the publishing department in Hong Kong are hardly happy omens—the paper will face stiff competition.

Its main drawbacks are its price, which is the equivalent of 22p to 33p depending on the country, and its European bias. It will have to make a conscious effort to do well editorially in a continent which feels by and large neglected in the editorial pages of European newspapers.

Its direct competitor is the *Asiatic Wall Street Journal*, whose leading financial business news coverage is an asset in selling to American and European businessmen.

The *Journal* was sufficiently worried to move its printing times forward, usually to print at 11 am but had to cope with the publication of the *Tribune* four hours earlier.

The *Tribune* will have to be patient in waiting to show a profit on its Asian run if the *Journal's* experience is anything to go by. The *Asiatic Wall Street Journal* lost \$500,000 a year for three years and only in recent months has moved marginally into the black.

Another problem is distribution throughout Asia. Hong Kong is an ideal publishing centre because it has good communications and financial services and is reasonably centrally located among countries with the best sales potential. Publishers suffer little government interference and pay low taxes.

Unfortunately, Asian regional newspapers and magazines suffer from overt and hidden censorship in various countries.

If a publication is lucky, censors may be satisfied with a printing of 10,000 copies in large amounts down an offending article. Rather more frustrating is when issues lie around at airports, or in the Home Affairs Ministry office, for hours or days without explanation.

An encouraging thought for the *Tribune*, however, is that other publishers are clearly keen to be in Asia. Dow Jones has an interest in

the main newspaper in Hong Kong, the *South China Morning Post*, and in the *Far Eastern Economic Review*, the highest selling Asian political and economic magazine, as well as pushing in with its *Asian Wall Street Journal*.

Reader's Digest has announced its faith in the review's rival, *Asiaweek*, by buying 80 per cent of this newer publication.

Several business magazines are published in Hong Kong as well as many specialist publications such as *Petroleum News* and *Computer Asia*. They are matched by a range of women's magazines which sell profitably despite printing every article twice, once in English and once in Chinese, and despite a remarkably trivial content.

Local newspapers abound. There are four English-language dailies although fewer than 100,000 people living in Hong Kong speak English as their native language. Two depend on sales to highly educated Chinese; the other two are tabloids aiming for the Chinese eager to improve their English.

There are nearly 100 Chinese language newspapers, but most make little attempt to cover the news. They rely on such features as a daily advice column, a trouble-shooting column, racing tips, specialized classified advertising and even outright pornography.

With reporters' salaries as low as £100 or less a month, journalists in the Chinese press may accept bribes to write stories or keep them out of the paper. This can be especially lucrative where show business personalities are concerned. Because of a loophole in the law, this bribery is not illegal as long as the editor knows, and he is likely to condone the receiving of gifts if that helps to keep wages down.

Until recently Hong Kong has been a growth area for publication of books. Among the British publishers with operations or affiliates in Hong Kong are Heinemann, Collins, Oxford University Press, Hamlyn and Longman. Apart from Chinese books, the main activity is educational books for Chinese children learning English.

Boosting the printing industry have been substantial orders from Britain and Australia, whose publishers have found it cheaper to print in Hong Kong and ship the books back.

Hong Kong printers became too successful. The glut of printing orders swamped the printers and pushed up wages, thus eroding the twin advantages of speed and low costs that Hong Kong enjoyed.

But if anything, the influx of immigrants from China and Indo-China brought farmers, labourers and businessmen, but certainly not printers, to bolster

this workforce in the industry.

The shortage of skilled labour in the printing industry has been compounded by insufficient training facilities.

The worldwide recession brought a cut in overseas orders in the second half of last year, particularly from Britain and Australia. This affected mainly small and medium-scale printing companies.

Printers say publishers in Britain and Australia, worried about dwindling market demand, are holding up orders or placing only trial orders to test their markets. Australia used to take more than 30 per cent of Hong Kong's exports of books and pamphlets, but the figure has dropped to 23 per cent.

Hong Kong faces protectionism in printing as it does in other industries. Australian printers now enjoy a government subsidy equivalent to a third of the value of the printing order. Canada imposes import duties and American books printed overseas cannot be sold in the United States.

Despite the additional burden of increasing raw material costs Hong Kong printers remain generally optimistic. They are depending on a high level of technical skills, high efficiency, ease of communications and still competitive costs to tide them over.

The high standards in the supporting industries, including typesetting, colour separation and camera work, help Hong Kong to maintain its lead over Asian competitors such as Singapore and South Korea.

A Special Correspondent

## Film industry

## Spread of colour TV has not signalled a decline

In the New Territories of Hong Kong every last hut and shack is equipped with its own colour television set. In the West, this would surely signal the decline, if not the demise, of local cinema. But Hong Kong has one of the most thriving popular film industries in the world, together with India and Japan.

Although it is such a small place Hong Kong, with its population of between five and six million, rapidly on the increase, compares favourably with many of the smaller language areas of Europe—Norway, Holland, Finland and Albania, for instance—which are trying to maintain their own independent cinema production. And Hong Kong films can go straight to audiences in Taiwan, Singapore, and indeed all over South-East Asia, not to mention the large Chinese communities abroad—in the United States and Britain particularly.

If the enormous potential audiences in mainland China are ever made accessible to them (it has not really happened yet, but with the constant blurring of once hard-and-fast distinctions, it is always a possibility), the commercial potentialities are limitless. Especially since, although these days almost all films from Hong Kong are shot in Cantonese, there exist alternative versions in Mandarin for many of them, and all are subtitled so as to be accessible to any literate person, whichever of the Chinese family of languages he speaks.

Until about 10 years ago, Hong Kong films were strictly for Chinese consumption, since they did not have any of the obvious cultural advantages presented by the best of Japanese and Indian cinema. Nor any of the cul-

tural pretensions: this was unashamedly popular cinema directed straight at the heart of its reliable mass audiences.

That situation did not change, but the international vogue of the kung fu movie, fuelled by the presence of the first Chinese international superstar, Bruce Lee, demonstrated that Hong Kong films' unaffected values as thoroughly professional popular entertainment were effective far beyond the Chinese community.

Though kung fu has faded a little in popularity—to be replaced it seems with the less imaginative urban violence of the new Hollywood vigilante cycle—a number of Hong Kong-made kung fu movies still find extensive international release, providing a useful open door into world markets which perhaps Hong Kong film-makers will be able to find other ways of exploiting.

However, the remains of the old cinema are still Sir Run Run Shaw, working from a studio with backlots and mandarin sets such as has hardly been seen in Hollywood for 20 years; though even in Hong Kong the suburban sprawl threatens to engulf it. Compared with the Shaw enterprise other studios—there are nearly 40 of them, mostly on the mainland—tend to have rather the air of Poverty Row, with their few all-purpose sets huddled together in the middle of already built-up residential or industrial districts.

Of late, the rigid studio system of production has been breaking down a little: a few film-producing companies can now contrive to keep all their facilities fully occupied round the year with their own product, and so more and more often they hire out to independents. This seems to be creating

an opening for the long-desired new wave of Hong Kong cinema. There has been a vocal minority of Hong Kong filmgoers who are not satisfied with the fare regularly offered by local film-makers, and feel that the time is ripe for something a little more adventurous. An increasing number of young Hong Kong Chinese, also, have been studying at film schools in Britain and America, and coming back with bright new ideas which they want to put into effect.

Last year's Hong Kong International Film Festival (another effective impetus for change in Hong Kong cinema) included six first feature films completed that year. Only one, *The Butterfly Murders*, was a big-budget martial arts film (handled with freedom and independence); three were independent productions by new companies, and the other two were financed by their own writer-directors.

Five of the six directors had studied abroad, and the sixth had a background in experimental cinema; five had worked extensively in television, and the sixth was already experienced in documentaries. These films, which were merely a selection from a far larger number of independent and first features produced, strongly suggest that new blood is likely to put new life into the old industry, before it becomes too mummified. They also suggest that the industry as it stands is so effective and confident that it can absorb new talent and new ideas, and can afford to indulge them. The prospects for the 1980s seem to be good not only for quantity of production but also for quality.

John Russell Taylor

## Art market

## Not the place to buy pots

For the casual visitor with an interest in Chinese ceramics, Hong Kong is definitely not the place to buy pots. Its shops abound with cleverly made fakes, and even respectable dealers feel little compunction in passing them on to the unwary as genuine.

If you are serious in your intentions, you must go with carefully prepared introductions to the few dealers who handle genuine wares, and with enough knowledge to convince them that you are a desirable client. They cannot be found without guidance: their shops may appear to be something quite else, one a junk shop, one a jeweller.

Alternatively, you can time your visit to Hong Kong to coincide with the series of sales that Sotheby's holds there every spring and autumn. Sotheby's have been holding sales in Hong Kong since 1973 and have achieved a remarkable transformation of the market. The sales have been organized under the control of a Sotheby's director, Mr Julian Thomson, a Cambridge mathematician turned sinologist; he is among the most respected connoisseurs of Chinese art to be found today in either East or West.

The first impact of Sotheby's sales in Hong Kong was to bring the market in genuine, important ceramics out into the open.

Their policy is not generally to take goods from the West to sell there, but to auction goods that come in for sale locally—genuine, and vetted goods. The accent is thus predominantly on goods that appeal to Chinese taste.

Most prized by Chinese collectors are the Imperial Ming and Qing wares; that is, wares made in the imperial kilns between the fifteenth and eighteenth centuries, either for use in the emperor's palaces, or as gifts for devoted friends and attendants. Characteristic are the paper-thin porcelain cups and dishes decorated in colours with flowers and fruit, unembellished by gnomes, but beautifully and carefully placed in relation to the form of the piece to be decorated. Often small, they are the epitome of refinement.

As the years have gone by, the taste of Chinese collectors appears to have moved backwards. Fourteenth and fifteenth century Ming blue and white wares were first sought after with enthusiasm about five years ago.

More recently, and this was particularly underlined by the sale of the great Chow collection last autumn, collectors have moved back to the Song dynasty and have begun to show an interest in Tang.

Edward T. Chow was born

in Jiangsu province in 1910 and began his career as a dealer in Shanghai. He established links with the West at an early age, and in 1949, after a short stay in New York, settled in Hong Kong. He retired from dealing in 1968 and settled in Geneva until his death in 1980. He began his personal collection at about the age of 20, keeping for himself pieces whose rarity, beauty and perfect condition met his exacting standards.

The sales of the Chow collection were divided between Hong Kong and London; another is due to take place in Hong Kong this spring. Sotheby's worked in collaboration with Chow's friend of many years, the Paris dealer M. Michel Beurdeley. A fifteenth century Changshu doucai chicken cup, a tiny piece of exquisite decoration and of extreme rarity, was sold for \$HK4.8m (£401,133). Sotheby's had been predicting a price of about £100,000.

Even more surprising, in a sense, was the result of the London sale which contained the pieces judged by Sotheby's to be of more Western taste. The Hong Kong contingent arrived in London in force, and carried away most of the early Ming and Song ceramics. A flower-shaped brushwasher of the Song dynasty realized £330,000; it was a recent

addition to the collection, having been sold by Sotheby's in November, 1972, for a mere £4,000. There was an interest in the archaic bronzes—a new field for Hong Kong buyers.

Though Hong Kong is small it has many rich businessmen, both Chinese and expatriate, and the rich like jewels. Sotheby's did not take long to realize that there was an excellent local market in jewelry to be tapped. It began to hold jewel auctions in Hong Kong in 1975, and these have become a regular feature of its auctions.

Things have not always gone well with these sales. On occasion there have been no buyers for important diamond pieces or other standard coloured stones. In one area, however, there has never been any shortage of demand: fine jade jewelry is always hotly competed for. Jade, especially if a fine translucent emerald green colour, is as much prized by the Chinese as are diamonds in the West.

A recent development has been auctions devoted to twentieth-century Chinese painting. Most of the artists now live in Shanghai, Hong Kong or Taiwan but worked in all parts of China in pre-revolutionary days.

Geraldine Norman  
Sole Room Correspondent

## Easier times for garrison

continued from facing page

times that number were thought to have safely escaped to Kowloon. Most came overland but many also by sea, either by boat or by swimming.

The effect of this on the garrison was not popular. The four battalions, which had been taking it in turns to guard the border, for four to six weeks at a time,

found themselves working as hard as their colleagues in Northern Ireland, although without the danger. Wives of the British battalion, whose married quarters are scattered round the colony, complained of family separation on an unprecedented scale. An additional battalion had to be sent from Britain, with specialist support, to help to push back the tide.

There were also operational disadvantages. Troops were spending so much time had indicated the need for more troops in case internal security was seriously threatened.

The extra battalion will not be formed until next year. Accommodation has to be found before it can arrive. Initially it will be a fourth Gurkha battalion, but the long-term intention is to draft a British battalion to the colony, partly to increase the opportunity for British soldiers to serve there, and partly to allow Gurkhas a chance to serve somewhere else.

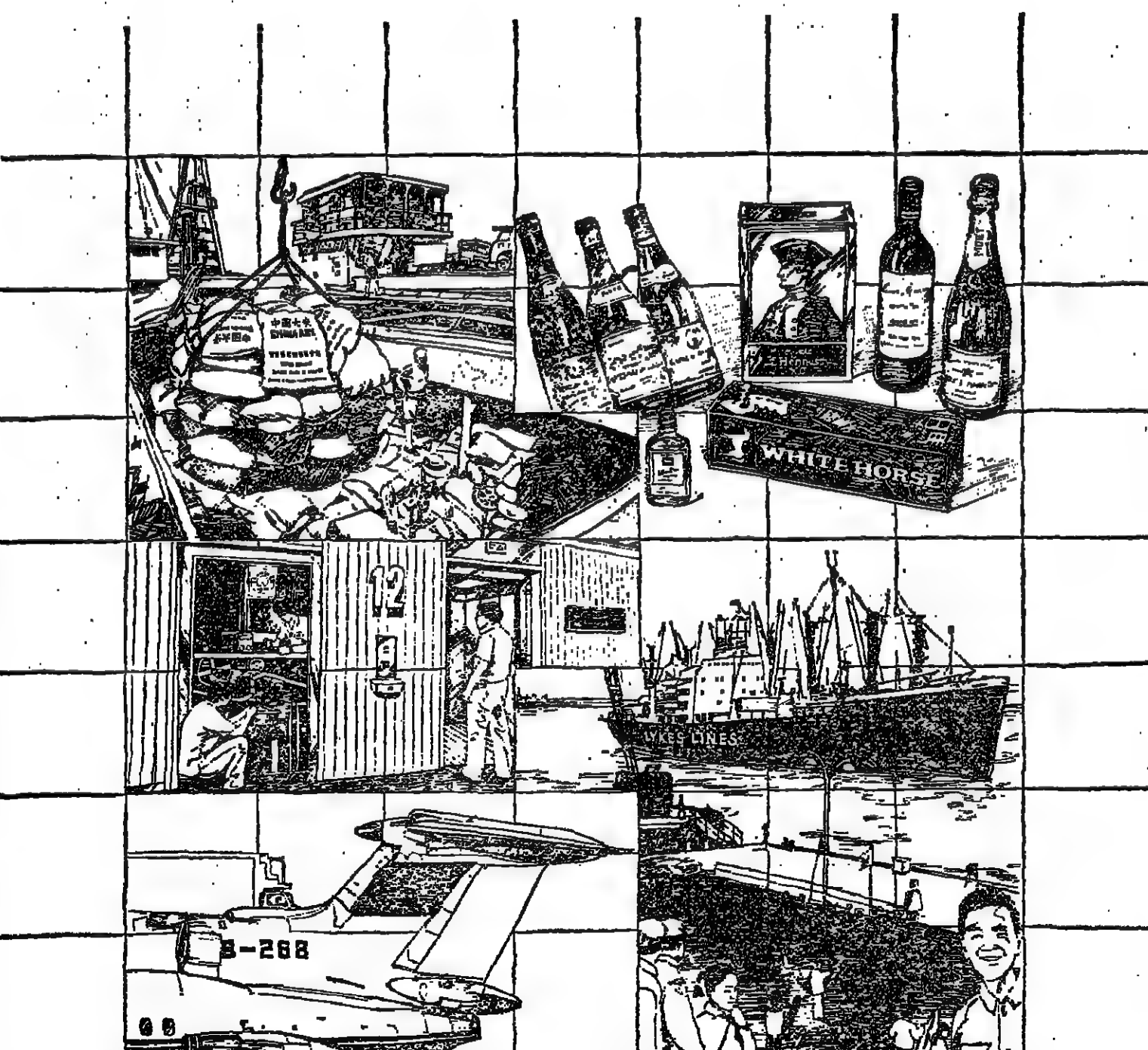
The 1,000-strong Hong Kong Military Service Corps, comprising locally enlisted Hong Kong recruits who serve as drivers, mechanics or interpreters, is also to be expanded, probably by 50 per cent. It is hoped that this will enable the corps to take on more active duties.

Sources point out that no numbers alone one could make out a case for sending two extra battalions to the colony, not one, but the planned expansion in the size and scope of the service corps should obviate this need. It is hoped that by the end of next year troops should have more time in which to practise their internal security skills, familiarizing themselves with the teeming enclaves of Kowloon, or learning how to land from helicopters on the tops of Hong Kong's tower blocks in the hunt for potential terrorists.

They should also have more time in which to enjoy life in the colony. Single and married British servicemen are still waiting for the travel posters to become true.

But Britain in turn agreed to return the second battalion, which had earlier been withdrawn, on a permanent basis. Illegal immigration was not directly the underlying reason.

Henry Stanhope  
Defence Correspondent



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## COST OF RIGIDITY

It has taken far too long for the Government to pay proper attention to complaints from industry that, in comparison with its overseas competitors, it was being charged unfairly for its energy supplies. There have been many points of confusion. A rising pound has badly distorted the size of relative price changes and industry has, perhaps understandably, tended to overstate its case. The report of the task force set up on an initiative of the National Economic Development Council now confirms that most industrial customers did not suffer a disadvantage from the pricing of their supplies of gas and electricity against their European competitors. For bulk users, accounting by volume for some 50 per cent of industrial electricity consumption and 15 per cent of industrial gas use, the position was sharply different.

The task force makes no thorough attempt to differentiate between the effects of the rising pound and other factors, but makes it quite clear that the strength of sterling is not the only way in which British industry has appeared, on the figures it has produced, to be put at a competitive disadvantage. Some of these are a result of genuine cost advantages in the countries concerned, such as the success of the nuclear and hydro power programmes in France. Others reflect different marketing policies, such as the large discounts awarded to large users of electricity in Germany. Subsidies given to coal producers on

the Continent have been far greater than those received by the industry in the United Kingdom, and the tax on heavy fuel oil here, at £8 a tonne, remains among the highest in Europe. Whatever the details of each individual case, industry may be forgiven for feeling aggrieved when the richness of Britain's oil and gas resources has helped damage its international competitiveness through the strength of sterling while competitors overseas receive cheaper energy supplies. The Government has become a victim of its own over-rigid policies of insisting that electricity production covers its cost and gas is priced in relation to its alternatives. By always allowing pricing aimed at energy conservation and a reduction of the public sector borrowing requirement to dominate its thinking, it has put industry at a disadvantage in a way which a more flexible attitude could well have avoided.

Having now conceded that industry has a case, the Government's first act has been to criticize its EEC partners for charging uneconomically low prices. A report being prepared by the Commission should show the truth of the accusation and help lead towards greater harmonization of energy pricing. In the meantime the Government has the delicate task of sticking by its broad pricing principles while reducing the burden on industry. And if bulk energy users are to be helped, someone else, whether other energy users or the taxpayer, is going to be worse off.

Heavy fuel oil tax should be cut at least to the average level throughout Europe. The cost of heavy fuel oil in Britain has now fallen back to the same level as on the Continent despite the duty, but if French industry can take advantage of the cost advantages of nuclear and hydro power, it is only fair that British industry should gain benefits from the oil companies' apparent ability to sell cheaper fuel oil here. The motorist, perhaps, should provide the lost revenue by an increase in the duty on petrol.

The problems of the coal industry are being sorted out between the miners, the National Coal Board and the Department of Energy and those plans should include a way of cutting the cost disadvantage to foundries resulting from subsidies to European producers. The most important changes, however, must be to the bulk sale of electricity, and to a lesser extent, gas. It is contrary to all ideas of conservation to increase the discounts for greater use, but industry is not, in the short term, in a position to cut greatly its consumption over and above the falls that have already taken place. The electricity and gas authorities should, therefore, be encouraged to give larger discounts, partly by spreading the cost among other customers, and partly by an easing of their cash limits. At the same time, incentives to carry out energy saving schemes must be increased. The Budget, next week, provides the ideal opportunity to put right what should have been put right some time ago.

## PARLIAMENT AND THE PUBLIC PURSE

A year ago the Government published a Green Paper on the Comptroller and Auditor General in which it confirmed his interpretation of his role. In other words, it said that he was right to extend his work beyond a narrow financial audit so as to examine the effectiveness of particular programmes. But it insisted that it would be unwise for him to go beyond that to consider the merits of the policies themselves. But now the Public Accounts Committee, who are served by the Auditor General, have produced much more radical proposals. The Committee would like his activities, and those of the Exchequer and Audit Department for which he is responsible, to be extended in two ways: to examine the merits of the policies themselves as means of achieving their objectives and to cover all bodies in receipt of public money. A new national audit office would be established, incorporating both the Exchequer and Audit Department and the District Audit Service which deals with local authorities.

These ideas need to be considered separately. There is unquestionably a need for someone to be reporting to Parliament, or more precisely to parliamentary committees, on the merits of particular policies in relation to

objectives. As things stand, "the form of public expenditure is often not sufficiently tested to see whether the same results could be obtained for less money or indeed better results for the same money". The report goes on to say that "in many cases it is not possible to assess accurately in advance what a change in policy is actually going to cost, nor the difference in cost of doing the same thing one way rather than another, nor, even after the event, what a particular change has cost".

Without such knowledge it is impossible for Parliament to exercise any effective scrutiny over public expenditure. Indeed, one of the principal weaknesses of British parliamentary practice at the moment is that expenditure is authorized virtually on the nod. A Select Committee on Procedure is considering how this defect can be remedied. The best procedure would be for the new departmental select committees to be made responsible for scrutinizing the details of Consolidated Fund Bills at committee stage. The question would then be how to equip these committees with adequate advice. There could be a strengthening of the present arrangements, whereby each select committee chooses its own specialist consultants. Or

there could be a new audit office which would do the job for all of them. In that case it ought to serve the select committees directly, not have its tasks apportioned by the Public Accounts Committee, as this report suggests. One of the weaknesses of the report is that it does not relate its proposals sufficiently to the departmental select committees. To expand the PAC by giving it subcommittees, at which the report hints, would be an absurd duplication of effort.

The report strays on to more contentious ground with its other proposal: that bodies other than government departments which receive public money should also have their expenditure scrutinized. In principle there is a logical case for this. But the scrutiny ought to be of a very different kind if the commercial initiative of nationalized industries is not to be even more inhibited and the freedom of action of local authorities still more circumscribed. The creation of a public service or local government inspectorate has been proposed by *The Times* on a number of occasions. It might be wiser to develop that idea rather than to give a national audit office such very different functions.

## Debate on economic priorities

From Mr Peter Lloyd, MP for Farnham (Conservative)

Sir, Mr Peter Lloyd, MP, is right to wonder (February 27) where our colleagues who wrote to you (February 25) urging a new industrial strategy think they are going to get the money—assuming they place any importance at all on that side of the equation.

However, their demand for lower interest rates plus additional government-funded investment, abolition of the National Insurance surcharge and extended job release, added to the increased subsidies just committed to British Steel, British Leyland and the National Coal Board, would certainly achieve one of their objectives—the rapid depreciation of sterling as foreigners lost confidence in the Government's determination to keep the economy in balance. This would no doubt be relief to exporters in the short run but at the cost of reviving inflationary pressures from which everyone, including the most financial exporters, would lose in the end.

Peter Horder rightly stresses that interest rates should only be reduced if accompanied by a reduction in borrowing and draws attention to the scope for saving illustrated by the fact that the NHS staff has increased by 25,000 since the election. But such economies are simply not going to materialize in time to pay for the extra spending already committed, let alone the further outlays suggested.

Yet if interest rates are to come down now, as it is imperative they should—and, even more important, stay down when recovery begins—then the private sector is seeking additional finance for stock building and investment—the Chancellor must revert to his original plans for the progressive reduction in public borrowing.

An alternative, and more realistic, idea is to divert some of the only immediate and sufficient source of the extra revenue required. Moreover, as the deficit is swollen by the effects of recession and unemployment, it is appropriate that those in work, who have on average maintained their real spending power, should meet the bill directly through higher employee National Insurance contributions—or, fairer still, an increase in the standard rate of income tax.

The political difficulties of adopting such a course—most are very obvious but there will be more than one approaching the next general election with both inflation and, most probably, interest rates on an upward trend again.

Yours faithfully,  
PETER LLOYD,  
House of Commons,  
March 3.

## Can Westminster decide for Canada?

From Lord Alport

Sir, Anyone who has the interests of Anglo-Canadian relations at heart and a proper appreciation of contemporary constitutional reality within the Commonwealth must be deeply concerned at the implications for the Westminster Parliament of the present controversy over the "partition" of the Canadian Constitution.

The "request and consent" convention of the Statute of Westminster was intended to prevent the British Parliament from passing legislation which purported to take effect in and override the powers of the sovereign Parliament of any independent Commonwealth country. It was specifically excluded in the preamble which has no legislative effect, it did not, and could not, deprive the British Parliament of the right to enact itself of a residual power which the passage of time and the constitutional evolution of the Commonwealth had rendered demonstrably out of date.

Canada has been a major influence in the process of decolonization by the United Kingdom. It is intolerable that fifty years after the Statute of Westminster was passed and more than a century after Canada, which has been a major partner in a victory of immense economic strength and political experience, became a self-governing country, the United Kingdom Parliament should become involved in arbitrating on issues which concern only the domestic relations within the Canadian Federation. It is certainly not for us to judge whether a Bill of Rights is adequate or what should be the division of powers between the Government in Ottawa and those of the provinces. In 1937 Mr Mackenzie King called a meeting of Prime Ministers to work out methods whereby Canada might alter her Constitution without reference to the United Kingdom. In 1937 Mr Bennett's "new" legislation was declared *ultra vires* because the Government leaves us no choice. It has gone back on its commitment to salary determination by Parliament. Professor MacBain (letter, March 2) accuses us of "threatening... the foundations of an ordered and civilized community" and of "violating the code of conduct that has governed the Civil Service". Professor Beloff (letter, March 2) accuses us of "threatening... the foundations of an ordered and civilized community" and of "violating the code of conduct that has governed the Civil Service".

It is in part the fault of the Civil Service unions that such impressions are current. As members of the Institute of Professional Civil Servants we were asked to support a composite motion that censured the suspension of its proceedings, supported a 15 per cent pay claim and authorized the executive of the union to participate, if necessary, in a campaign of industrial action.

Few civil servants that we have spoken with would be willing to strike for a 15 per cent pay claim on its own. If this motion gained wide support from members, it is

Yours faithfully,  
TOM GREWES,  
12 Newson Court,  
Bedford Park, W4.

by the courts because it conflicted with the provisions of section 7 of the Statute of Westminster, although the extension of the powers of the Federal Government appeared to many here and in Canada both desirable and inevitable. It is astounding that more than forty years have elapsed before this issue became alive again.

There is now a danger that the British Parliament will be sucked into a major Canadian constitutional controversy, with bitter party and provincial undertones, which is entirely domestic to Canada and which, by no stretch of the imagination, it is obliged or entitled to resolve.

I can understand, though not agree with, the views of the House of Commons Foreign Affairs Select Committee, required to comment on a matter which excites its members' interest and, from the point of view, has the advantage of being of a somewhat remote and academic character. But it is not the job of the House of Commons of the United Kingdom or of the British House of Lords to decide an issue which essentially is a matter for decision by the Parliament and people of Canada.

Her Majesty's Government in London should not advise Her Majesty's Government in Ottawa that it intends to repeal the last evidence of Canada's colonial status—section 7 of the Statute of Westminster—before the end of this session of Parliament.

By that time the present constitutional controversy has been resolved in Canada, so much the better. If not, it will be for the Canadian Parliament, designed in 1867 to reproduce on the other side of the Atlantic exactly the character and processes of the Parliament at Westminster, to take whatever decision the Canadian nation may in its wisdom decide.

Yours sincerely,  
ALPORT.

House of Lords,  
March 2.

because the Government leaves us no choice. It has gone back on its commitment to salary determination by Parliament. Professor MacBain (letter, March 2) accuses us of "threatening... the foundations of an ordered and civilized community" and of "violating the code of conduct that has governed the Civil Service". Professor Beloff (letter, March 2) accuses us of "threatening... the foundations of an ordered and civilized community" and of "violating the code of conduct that has governed the Civil Service".

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TOM GREWES,  
12 Newson Court,  
Bedford Park, W4.

## Jordan opposition to the 'option'

From the Ambassador of Jordan

Sir, Having read Christopher Walker's five articles regarding the occupied West Bank (especially the one headed "How the Jordanian option might just work"—February 23), one cannot help but feel the utmost concern regarding events and "facts" being created in the occupied Arab territories. Despite the universal condemnation of the Israeli settlement and colonization policy in the occupied Arab territories, your correspondent reports the feverish, frantic rush by the Israeli government to plant additional settlements to plant additional settlements.

His Majesty King Hussein and the Jordanian Government have emphasized on numerous occasions their support of the right of the Palestinian people to self-determination and to the establishment of a Palestinian state on their soil under the leadership of the Palestinian Liberation Organization, their sole legitimate representative.

Jordan has not only rejected, but exposed the so-called "Jordanian option" for what it really is, i.e. a scheme by the Israeli Labour Party to perpetuate and consolidate the military occupation.

The Palestinian people do not desire or envisage their state except in Palestine. The Jordanian people cannot and will not replace the Palestinian people. Jordan will not be drawn in any way to assume responsibilities designed to alter or circumvent the centrality of the Palestinian people.

Any plan or policy that does not take into consideration these facts will not lead to the attainment of a just and acceptable peace and will have adverse and far-reaching consequences on the stability of the region and the peace of the world.

Yours faithfully,  
IBRAHIM IZZIDDIN,  
Embassy of the Hashemite Kingdom of Jordan,  
6 Upper Phillimore Gardens, W8,  
March 2.

When studying and teaching at various defence academies, I learnt that a successful defence strategy must have a superiority of at least four to one. The advantages are all with the defence. BAOR has had 30 years to get to know the ground and to make plans. In addition, we have now a strong German army on our side. The Communist offensive in World War Two, especially in Italy, that they were unequalled in defence.

Surely our military leaders should show a more robust view of the future to the troops. I wonder if it looks so easy from the Kremlin.

I must confess that my argument is not unconnected with recent public claims that a strong Navy is no longer needed because a European war would only last a few days and reinforcement and supply from across the Atlantic would not be required. But this admission, I submit, does not invalidate my views.

Yours faithfully,  
F. W. GRETTON,  
9 Northwood Road,  
Oxford,  
March 2.

West Indies tour questions

From Mr J. M. Stephenson

Sir, There is no inconsistency between support of the boycott of the Moscow Olympics and opposition to the recent events in Guyana, and I am happy to come out in the open and say so (Dr Butt, letter, March 3).

Sport becomes inevitably involved with politics when a team purporting to represent a nation visits another, in doing so, it is seen by the politicians of each country to give implied approval to the regime of the other.

For this reason, no team representing Great Britain or any of its component nations should visit either South Africa or the Soviet Union. But neither this general principle nor the Glenageary agreement can extend to individuals who choose to visit either country in pursuance of that other human right—to earn one's living by any lawful means in any country, subject to the laws of that country, and not to be victimised for so doing.

Perhaps the Government of Guyana would do well to consider whether a constitution which proposes friendship with every country "except South Africa" does not reflect a racial hatred no less abhorrent to men of reason and compassion than apartheid itself.

Yours faithfully,  
J. M. STEPHENSON,  
Rose Cottage Flat,  
Upper House Lane,  
Sharnley Green,  
Guldford,  
Surrey,  
March 3.

Wizards that were

From Mr A. M. Christie

Sir, I am surprised at the mystery made of the superlative "wizard" in Philip Howard's article today (February 23). As a schoolboy aeroplane-fancier some 50 years ago I would have been in no doubt about its origin. The Westland Wizard was by far the most glamorous aircraft of its day and (so far as at least one schoolboy was concerned) stole the show at a Hendon RAF display in 1930 or thereabouts.

Yours truly,  
A. M. CHRISTIE,  
48 Thame Road,  
Warborough, Oxfordshire.

## Social Democrat policies

From Mr W. W. Brewin

Sir, Social Democrat MPs claim there is no case for resubmitting themselves to the electorate on leaving the Labour Party as they continue to support the manifesto on which they were elected. (Their justification not mine.) They claim that it is the Labour Party which itself has deviated.

In supporting a manifesto defeated at the last election and pledged to continue the divisive policy of confrontation imposed over the past

few years, which is largely responsible for the present state of our country, how can they claim to represent a new mood sweeping the nation?

The new mood is one of abhorrence of party politics to excess. A wish to recapture something of the national unity Britain has shown at times of crisis. To claim that the last election manifesto of the Labour Party is a recipe for this is ludicrous. A Labour Party of the 1960/70s under the title Soc-Dem is certainly not what the country seeks.

Do the "gang of twelve" support the Labour Party election manifesto divide as it is—as they claim—or do they truly represent something different, something unique, a potential party reflecting the new national mood—as they claim?

Whichever policy they favour there is no denying they continue the old political tradition of "double-speaking".

Yours faithfully,  
W. W. BREWIN,  
14 Denham,  
Whitley Bay,  
Tyne and Wear.

Neither the two organizations want to perpetuate "large institutional hostels" in the pejorative sense. But the number of single homeless people with nowhere else to go is so enormous that, in spite of all our endeavours to produce a wide range of more permanent accommodation (which both societies and their associated housing associations do produce) the large hostels will remain a necessary part of the available provision for some years to come. The important thing is that they are run well with every effort to sustain the dignity and self-respect of their residents.

Yours faithfully,  
PETER MAISH, Director,  
Church Army Housing,  
EDWARD ALSOP, Manager,  
Salvation Army Housing Association,  
as from: 112a Shirland Road, W9,  
February 27.

Hostels for homeless

From the Director of Church Army Housing and the Manager of the Salvation Army Housing Association

Sir, The "dispute" between the Church Army, Salvation Army and the Campaign for the Homeless and Rootless (Report, February 27) is not over the £12 million the Government has allocated for hostels of all types.

At their recent press conference during the Church of England's General Synod, the Church Army and Salvation Army were talking of the particular crisis facing many of their worst-off homeless people, and were saying that they needed £20 million very quickly—quite separate from any share of the £12 million already allocated—under 2,500 homeless men and women were not to be put on the streets.

Neither the two organizations want to perpetuate "large institutional hostels" in the pejorative sense. But the number of single homeless people with nowhere else to go is so enormous that, in spite of all our endeavours to produce a wide range of more permanent accommodation (which both societies and their associated housing associations do produce) the large hostels will remain a necessary part of the available provision for some years to come. The important thing is that they are run well with every effort to sustain the dignity and self-respect of their residents.

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EDWARD ALSOP, Manager,  
Salvation Army Housing Association,  
as from: 112a Shirland Road, W9,  
February 27.

Historic buildings

From Mr Tom Greaves

Sir, Can anyone blame the Chinese for demolishing their embassy buildings in Portland Place, when they have only to look at this once noble terrace and reflect on the disaster done at the hands of successive generations of British architects and their clients, including the RIBA?

As a schoolboy in the early thirties, intent on an architectural career, but with a love of London at a time when large chunks of Georgian London were disappearing every year, I watched with horrified amazement the destruction of yet another bit of Portland Place to build the institute's new headquarters.

Let it be argued that this was 50 years ago, and that we know better now. I would draw attention to what I understand is the impending demolition by Westminster Council of 20 listed Georgian houses in Great Titchfield Street nearby, including the house of the great sculptor and illustrator, John Flaxman.

It is surely ironic that, while the minister is adding to the list buildings of more recent date, those at the other end of the time-scale are being gradually destroyed. Is a listed building only to be allowed to survive at the whim of a private developer, or a local authority?

Yours faithfully,  
TOM GREAVES,  
12 Newson Court,  
Bedford Park, W4.

From Mr Bernard Kaukas

Sir, As one who is concerned to come to reasonable terms with the problems posed by our great legacy of historic railway buildings, I note with interest the appeal (letter, February 23) by perhaps

the most distinguished person in the world of conservation and restoration—Dr Bernard M. Feilden, Director of the International Centre for the Study of Preservation and Restoration of Cultural Property (ICCROM).

The present annual rate of government support to this body is £28,000 and this has just been withdrawn. Recently we were obliged to spend over £250,000 on refurbishing some small station buildings which are not required by us and are not occupied. Before they had been listed the original estimate for demolishing parts of the buildings and refurbishing the rest was of the order of £30,000. The greatly increased expenditure can be laid entirely at the door of a small local preservation society which was successful in persuading the Department of the Environment to list the building. In the case of buildings of significant importance in architectural or historic terms such expenditure can, of course, be properly justified because of the need to pass on our national architectural heritage to future generations. But it is hardly justified in the case of buildings of only marginal interest locally to a few people, when the excessive costs to our hard-pressed business are not matched by national or local contributions. The excess sum just referred to is equal to our national contribution to ICCROM (for the next eight years).

It is reasonable to ask that there should be a national clearing house for our priorities in the field of conservation and preservation, especially during the present period of deep recession?

Yours faithfully,  
BERNARD KAUKAS,  
British Railways Board,  
222 Marylebone Road, NW1.







New Books

# The kid from Brooklyn

The Art of Maurice Sendak

By Selma G. Lanes

(The Bodley Head, £25)

All other Americans and most visitors from abroad are of one mind that New York is New York, and not much to do with the rest of America, but if there is one place even nearer Europe than Manhattan, it is Brooklyn.

Maurice Sendak, who was born there in 1928, and whose parents came from near Warsaw before the First World War, remembers feeling that you had not properly entered the United States at all until you had crossed the East River into Manhattan and plunged between the fabulous towers and windows to see a first-run movie having (even better) been taken out to eat. Brooklyn was just a street from the plains of Poland after that. It was rarely dull, however, even at the time, or if it was, the dullness seemed interesting in retrospect. Like Rosie's story of how her grandmother had died that very morning:

And I believed Rosie—we all did. Then she went into a pantomime of what had happened in the early dawn hours when they heard furniture collapsing and mirrors breaking and this rather heavy woman gasping and shouting and rushing about. They hung her head out of the window. They gave her the Kiss of Life. All to no avail.

Now during the telling of this story, the street comes the grandmother, two big shipping bags in hand, her carpet slippers flapping, and she goes up the steps cursing the kids violently in Italian, brushing them aside with her feet, scolding into the house. They all shiver and then she said: "Tell us again, Rosie."

As an illustrator of children's books, Sendak is in a class by himself today, and one of the things that makes his work so distinctive is that, within it, a child's Brooklyn of the Thirties and the great graphic traditions of Europe meet. An increasingly

rich and allusive achievement from *A Hole is to Dig* (1953) to *Outside Over There*, to be published this May, unfolds a landscape formed by sources ranging from Albrecht Dürer to Oliver Hardy to Philipp Otto Runge, to Phoenix Baking Soda, William Blake and Mickey Mouse. "Children's book illustration" begs every question about the nature and range of Sendak's work, which in turn begs a good deal more about childhood itself, and whether there is any significant difference between it and the state conventionally accepted for the last two hundred and fifty years or so as being grown up.

He is, by any definition, a contemporary master of the pen, ink and wash—an exhibition at the Astor-Lenox-Tilden Museum in New York, which he has been widely seen, is a nineteenth century artist who happens to work in the post-Preudian age. The result is neither art-history nor good journalism.

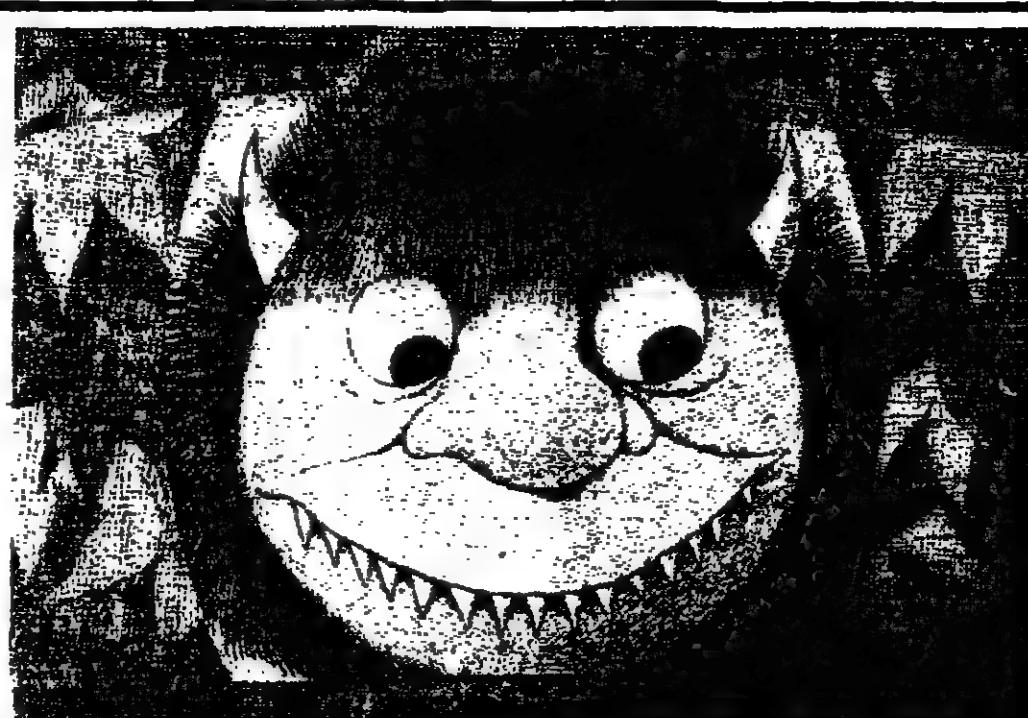
It is not enough, for example, to pass on, and implicitly share, Sendak's indignation when John Updike alludes to the "inviting derriere" of the floating boy in a review of *Flap* by Night (1976). The allusion was mischievous, but not irrelevant; nakedness plays a central role in Sendak's work, to the pronounced horror, from time to time, of parents and librarians though not, presumably, of their children. Infant sexuality infers perhaps his most beautiful and innocent book in date, *In the Night Kitchen*, without in any way lessening its innocence, humour or perfection of touch, whilst for Charlotte Zolotor's *Mr. Rabbit and the Lovely Present* (1972) he devised a delicate dream of high summer in which an elegant and resourceful white rabbit and a serious little girl share a chaste but faintly erotic afternoon.

*Outside Over There*, for which Miss Lanes reproduces fascinating preliminary sketches, and which comprises a trilogy of classic pictures, a book with *Wild Things* and *The Night Kitchen*, goes even further and proposes that even

popular American art are generous with visual information, enlightenment and design, but soft on critical intelligence and the great world outside. They lack curiosity and perspective. Finch wrote a handsome biography, and Miss Lanes has not gone as far as that, but she is a good friend of the life and work of Sendak's and excessive circumspection. Lazy New York words like cerebral and wondrous, phrases like "crucial variables" and "Sendak's lexicon of pleasures" merely obscure the portrait of a man whose work makes an immediate impact and who has been widely seen, is a nineteenth century artist who happens to work in the post-Preudian age. The result is neither art-history nor good journalism.

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Curtain design for the opera *Where the Wild Things Are* 1979.

babies are whole and complete individuals who experience terror and pleasure and the puzzlement of thinking in a thoroughly realized way. When travelling in Germany and Britain for his Grimm drawings, Sendak spent invaluable time in galleries and collections: his babies, grasping for sunflowers, are bruiser descendants of Runge's Hülshausen children in Hamburg, and other allusions, in no way insisted upon, include sheep by Samuel Palmer, ships from Caspar David Friedrich, Mahlerian Wonder Horn and *The Magic Flute*.

Theatre and music have entered Sendak's work. He has designed a *Festa* for the Houston Opera and a *Cunning Little Vixen* for Washington. *Where the Wild Things Are* has itself been turned into an opera by Oliver Knussen; a Mozart book is gestating. Since the Metropolitan Opera in New York has taken over David the Hockney with whom Sendak shares perfectionism, wit,

a creative assessment of the past and a passion, somewhat lacking now, for furious cross-hatching—Covent Garden or the Welsh National Opera should retaliate by asking Sendak to do *Hansel and Gretel*: he has already done the Grimm story. We should not lose on the exchange for Sendak's fastidious and slightly chilling response to the German folk idiom of the Romantic age would complement Humperdink's late nineteenth century sumptuousness startlingly well. The books I have mentioned are in print from *The Bodley Head*. Apart from *Where the Wild Things Are* (£3.50), *Higgly Piggly Pop!* (£1.50), *In the Night Kitchen* (£3.95) and *The Juniper Tree* (£2.50), I think the funniest is *Hector Protector* (1965, £2.95) and one of the most touching and best written *The Sign on Rosie's Door* (1958, £2.95), which depicts the redemptive August in Brooklyn most directly and seems to

suggest the fantastical childhood of a Tennessee Williams heroine. *Some Swell Pup* (1976) falls not because it shows a small dog defecating on the carpet, but because it is too long—a rare lapse in judgment—and because its use of the strip cartoon is awful and leaves one feeling it would have been better done by Charles Schulz.

The genius of *Peanuts* is never mentioned by Miss Lanes, neither are *Sesame Street* nor *The Muppet Show*, both of which would not have taken the form they did without the example of *Where the Wild Things Are*. *Wild Things*, of course, not only read books, they smell them and eat them: the yellow eyes would swirl with ecstasy at the pictures in *The Art of Maurice Sendak*: but when they came to test their pointed teeth on the text, they would find it short of fresh ingredients and fundamentally unyielding.

Michael Ratcliffe

# Bagehot as rogue elephant

The Backbench Diaries of Richard Crossman

Edited by Janet Morgan

(Hamish Hamilton/Cope, £15)

Dick Crossman was my first, and only, political hero. Of course he could be, and frequently was, totally infuriating. In the *New Statesman* of the early 1970s he came out as many times and as many times as he had in the Wilson cabinet of the late 1950s. But, beyond everything and above all, he was a born political teacher. In this last published volume of his *Diaries*, he finally vindicates his claim to be the "Bagehot of our age".

Not since Lord Beaverbrook's trilogy on the political infighting of 1914-23 has so much light been thrown on a particular period of British parliamentary history. In a way that may be surprising, for in this period (stretching with gaps, from 1951-63), Dick Crossman was in no sense at the centre of the political stage. He was a "rogue elephant" backbencher tramping with a splendid ignorance of the susceptibilities of friends and foes alike. It was also a time when he multiplied his own difficulty by valiantly (but vainly) trying to box the "conscience" of his friends and simultaneously a newspaper commentator on the passing political scene. "What we get here, therefore, is essentially a view from the wings, but one that illuminates the nature and character of British politics even more sharply than the later volumes written from the vantage point of being a Labour cabinet minister."

In one respect, of course, we are very fortunate. Although he held no place in Labour's parliamentary hierarchy, Crossman—through being a Bevanite—was thrust into the cockpit of the controversy that erupted when Labour moved in the 1950s. It was the roughest power struggle in Labour's history (one, incidentally,

tally that makes today's quarrel between the Social Democrats and the leadership look like a decorous game of croquet). Crossman, with his well-known zest, plunged into the Bevanite battle from the beginning and, mainly through his predilection for being his own man rather than anyone else's, succeeded, in the end, in getting bruised almost equally by both sides.

The figure of Aneurin Bevan dominates the first half of this volume. Initially Crossman is to be found among the most ardent of his disciples; but soon, as he comes to realise that Bevan is a fallen idol, the picture changes. Crossman provides of him—ward, petulant, at moments almost childish—a salutary corrective to the piece of court portraiture enclosed in Mr. Michael Foot's two-volume biography. Nor that Crossman does not supply an equivalent antidote elsewhere. The impression of Hugh Gaitskell that emerges here—inflexible, insensitive, intolerant—is barely reconcilable with the picture of the man placed in Mr. Philip Williams' massive single-volume biography of the year before last.

It does not, in fact, require much perception to understand why Crossman was never regarded as the most trustworthy of colleagues or dependable of allies. He suffered from the terrible defect in a politician of always wanting to blunt the truth as he saw it. To his diary he could do that with even less inhibition than to his friends. And, alas for the parliamentarians' trade union (who can be expected to resent this did the one published earlier), he was also gifted with one of the sharpest pens ever wielded by a politician.

In particular, as Enoch Powell noted reviewing the last of the *Cabinet Diaries*, he is a remarkably able judge of character. It is impossible to read this volume without being astonished at how quickly and

unerringly Crossman got to the heart of the matter—virtually from the beginning he was spotted as the lego of the Bevanite enterprise. Nor are the lesser vignettes any less vivid, even when they are vicious. At the end of the 1950s, for example, the late Ray Gunter was widely hailed as the coming man among Labour politicians: an actual, real, live trade unionist who might yet prove to have it in him to equalise the various factions within the party. Crossman, however, was not deceived. To him Gunter was merely "a great watery slob who drinks a bit too much and whose statesmanship consists of being two-faced and backing the winning side."

Hardly perhaps the kind of language that one normally expects to find in political memoirs—but then the great merit of Crossman is that he never shrinks from presenting politics in the raw. In that area, there remains, however, one enormous paradox about the man himself. No one who ever knew Dick Crossman can possibly have doubted his determination to cut off the respectable facade of parliamentary democracy and show the public the truth. But did he ever quite realise the truth about himself?

Certainly, nothing struck me more forcibly than this volume than just what a privileged position Crossman occupied, even as an idiosyncratic backbencher, in the British power structure. His own party leaders, Clement Attlee and Hugh Gaitskell, his political opponents like Edward Boyle, Iain Macleod or Lord Harewood, society hostesses from Lady Hartwell to Lady Melchior—all regarded him in a quite different light from any routine left-wing backbencher. Worse, he himself enjoyed—even revelled in—being within the citadel. The final ironic twist, I fear, is that the great democratic advocate was more than a bit of an oligarch.

Anthony Howard

# From the dark

Towards the Mountain

By Alan Paton

(Oxford, £12.50)

Despite Alan Paton's reputation as one of apartheid's most outspoken critics, there is nothing in his very fine autobiography, *Towards the Mountain*, that will seriously embarrass his fellow white South Africans.

The reason is simple: Mr Paton lived almost half his life "in the dark", and the book barely proceeds beyond this point, ending before apartheid became official policy.

Instead it provides an altogether fascinating insight into how *Cry, the Beloved Country*, a modern classic of compassion, came to be written by that most unlikely of candidates, someone whose chief ambition at the time was to become South Africa's Director of Prisons.

No brief résumé of major events and influences could possibly do the same, but even just to tip of the iceberg, as it were, has its enlightening facets.

Alan Stewart Paton was born in 1903 of Christadelphian parents in Pietermaritzburg. Natal. He hated his violent unhappy father, and "through an intense reaction to nature" he created a "private world of self."

So private a world that it

into "paradise," and apparently excluded those emotional ties with family servants that bring conflict and confusion to what passes for a normal white South African childhood. He makes some reference to his family's vanities, but never as individuals.

Indeed he continued to be scarcely conscious of black people for many years to come, and when, in his mid-twenties, Trenchard made him "feel responsible for society," it was a feeling restricted to the white sphere.

"Least of all," Mr Paton declares, in one of the book's most revealing passages, "I accept the belief which is later to become the driving force of my life, that all these societies (black, white and brown) were in fact one society. I use the word accepted, because this particular belief has to be accepted by an act of will."

Then at 32, after a severe illness, he gave up teaching, and inspired by a book on the post of reformatory principal, hoping he'd not be put in charge of the one for black boys. He was, and made an enormous success of the job through a number of radical changes.

His life changed radically. Not only was he now in contact with black people on a very different basis, but he was also meeting whites whose caring attitudes greatly impressed him. More-

over, as a member of an Anglican Diocesan Commission in 1941, he was forced to "look at South Africa as I had never looked at it before."

"I went out into the light," he says, adding with characteristic honesty. "This conversion came in a way never before complete, because one continues to live in a colour-bar society, and to obey its laws and to benefit by its privileges. If one did not, one might leave the country or spend the rest of one's life in prison."

Mr Paton left the country in 1946 to enhance his chances of becoming Director of Prisons by studying penal methods in Europe and the United States. Desperately homesick in his first year, and with an hour to kill before an engagement, he wrote the first chapter of *Cry, the Beloved Country*. And over the next three months, during a journey which doesn't always appear to have been very real to him, he completed the novel in the grip of an "intense emotion" that suggests an otherworldly, only this time of paradise lost.

*Towards the Mountain* closes with Mr Paton hoping that he will be able to get down the second half of his life before death comes to him. Anyone who has read the first half would hope so too.

James McClure

# Fiction

Housekeeping

By Marilyn Robinson

(Faber, £2.25)

Secret Places

By Janice Elliott

(Hodder & Stoughton, £5.50)

Godric

By Frederick Buechner

(Chattr & Windus, £5.50)

Deceptive Cadence

By Eugenia Zukerman

(Weidenfeld & Nicholson, £5.50)

Housekeeping has already been

glorified by so much distinguished approbation, it is hard not to turn an unfairly steady eye upon it. Marilyn Robinson has the virtues of precision and clarity rather than intensity; the prose of meditation and the weather of the less, this is a first novel which records the strangeness of life at the edges of society with all the power of genuine eccentricity. The story is set in

Providence, Rhode Island, in the Far West of America. Ruth and her sister have been abandoned there by their mother, who drives on, and into the lake; the book concerns itself with the bringing they receive, first at the hands of their grandmother, then two mildly droll great-aunts, and finally their Aunt Sylvia, whose life as a transient has not prepared her for domestic responsibility. Ruth's children by hearsay. And it is just because Patricia is so remote from a knowledge of Central Europe that she finds the exotic style of Meister family so alluring. Her immersion in the newspapers and a proliferating family of cats add dis-

membered swallows to the pile. It is not surprising that the novel is not a book to be made and normally, and goes off to live with friends. Most readers will remember the novel for the descriptions of the lake, and the bridge over it, the hills about the water, and the yellow sun rising over them. But Marilyn Robinson has an ear for comic dialogue, too. As the great aunts begin to contemplate what they have taken on, they debate as follows:

"She wasn't young."  
"She was young to pass away."  
"Wasn't she?"  
"That's not old."

The book moved just a little too slowly for my unqualified pleasure, but it closes with a fine account of a bridge across the railway bridge from the ordinary world of shelter altogether, which could stand alone as an image of what the whole book is about.

Fine writing can often be heavy reading; not so, in Frederick Buechner's new novel, which is a marvellously sensitive evocation of life in a girls' school in wartime Derbyshire. The arrival of the refugees, Laura Meister, the weather of the classroom, and exiles both interest and hostility. Patricia, who is at the centre of the story, befriends the newcomer when she is baited as a German. There are some ironies in this vicariousness, since although Herr Doctor Meister is a declared opponent of Hitler (now a C-class alien, and evidently useful in the physical sciences) Laura's mother, who is a Nazi supporter, but for all the apparatus of the period—gas masks, damp air-raid shelters, sirens—the only real reason for her interest in the refugees is that she finds the exotic style of Meister family so alluring. Her immersion in the newspapers and a proliferating family of cats add dis-

behaviour (though, of course, being rounded up by the English police for instrument is not comparable to being woken in the night by the Nazis). As a novel of erotic awakening it is fresh and often moving, encompassing the sex places of the spirit as well as those of the body.

Frederick Buechner is a figure of some stature in the United States, and *Godric* is evidently a departure from his usual mode. I am afraid I wasn't overly delighted by it. It is a densely written account of the twelfth century Durham saint, who travels towards a society across a world of altogether plausible brutality. Kings tie the limbs of women in labour together for sport; ascetics fight off their demons with falling limbs; and Godric wanders to Jerusalem and back with his mother, and reflects upon the work of God's hands. The language is often tough and surprising, but the rhythms are worryingly familiar. Is it the lambic pentameter we hear behind the choice of each sentence length? Not quite; but there is something ominous in the regularity, nevertheless.

*Deceptive Cadence*, in marked contrast, is a simple unpretentious read. A Hungarian pianist, with a puzzlingly difficult to relate to any other human being, suddenly disappears in mid-tour. As the book turns entirely on his precise motives for doing so, it would be well to note that it is a good part of the interest comes from the (altogether illegitimate) attempt to gawk behind the scenes for signs of the life of the author's husband, Fitcha Zukerman. But whatever else the book is accurate about the necessary tensions of performance, and the pleasures of giving pleasure to an audience, I couldn't help wondering why anyone with the international reputation as a flautist of Eugenia Zukerman should turn to the satisfactions of fiction.

Elaine Feinstein

# Poison in jest

The Crystal Bucket

By Clive James

(Cope, £5.95)

Clive James's collection from Clive James's columns in *The Observer*. It covers three years of his television reviews and ends in December, 1979, with a reference to the death of Joyce Grenfell. "Her humour," he says, "was so devoid of malice that some people called her sentimental. She wasn't. She was just greatly loved."

That is one of the few really nice things Mr James says about anybody. He himself, is never interested in seeming even slightly good, either on the page or on the screen. But, in real life there would be nobody more benevolent or more vulnerable. So I am sure malice has little to do with the stinging personal remarks he hands out.

I imagine most of his victims can take it. Sir Harold Wilson probably cares very little about the futile gestures he is accused of making with an empty pipe. Sartre is no longer around to worry, poor chap, that "he only ever had one good idea in his life." And King Edward VIII is equally unavailable to comment on his alleged "hidden shallows."

To turn to the living: most of those who suffer from the Clive James treatment are probably too big to bother. Including Max Bygraves ("No more fun than a sinus wash"). Eric Porter ("As usual, over-enthusiastic like

Julia Andrews"); and Sir Michael Tippett ("It takes talent to generate triviality"). Nor can I imagine Mrs Thatcher losing much sleep after the author's welcoming tribute at her moment of triumph in 1979. She sounded, he said, "like the book of Revelations read out over a railway station public address system by a headmistress of a certain age wearing calico knickers."

I sometimes wonder if such examples of Clive James's work are merely used as appetizers, just as Esther Rantzen's *Thin's* Life makes use of meat to sugar the pill of more useful material. Clive even shares Esther's interest in buttocks. And because his comments on such matters are so vivid, there is a danger, until you acquire his work in hardback form, that you might forget he is the most thoughtful television critic currently being published.

I am sure that if Clive James made fewer outrageous remarks about his fellow-performers (and why do none of them ever tell him about his own television manner?) his occasional moments of devastating seriousness would seem less vivid. My favourite here is his description of the ballerina, Karen Kain.

"Watching her dance," he writes, "you could forget the world without feeling you were running away."

# Quick guide

Nathalie Sarraute and the War of the Worlds, by Valerie Minogue (Gollancz, University, £10). Sarraute is a pioneer of the *nouveau roman* in postwar France. In the inter-ferable wrestle with words and life, she uses rhythms and pat-

terns of language as in poetry not to describe people, but to create reality. Valerie Minogue is a senior lecturer at Queen Mary College, and author of a good study of Proust. Her book decodes and illuminates five novels by Sarraute, all available in English, and also discusses her most recent work.

Flora Annie Steel, by Violet Powell (Heinemann, £5.50). Flora Annie Steel (née Webster) sailed for India in the

again readily acknowledges, says, contrary to popular mythology, very close to text (the one she had). But staying too close can be—and was—dangerous, especially when too little allowance is made for essential differences between the two languages, like, for instance the gender-agreement that, in French, guide the reader to the right connections, or the useful differentiation of the relative pronoun into *qui* and *que*, subject and object, a differentiation reflected in "who" and "whom" but not available to "that" or "which." When such morphological signposts are taken away, the reader, when faced with the original word-order, may not know which way to turn. On the other hand, the tiniest change has astonishing importance in as dense a prose as Proust's. Displacements in the word-order, inattentiveness to some of Proust's pointers, and even apparently trivial shifts of vocabulary can seriously damage the intricate unity of the text.

In the rendering (in both versions) of Proust's *stendard silencieux du ciel réifié* (silent expanse of the reflected sky) as "the silent reaches of a mirrored firmament", what devastation, quite apart from the compositional of the nouns—wrought by that posturing "a"! Proust is writing of the sky reflected in the water, not of an indelible, ineffable "firmament".

Kilmartin's revision, however, removes a good deal of the affection of the earlier version, and the frequency of unlovely words like "behold", "sight", "albeit", "mouth-pursing", "shew", has been reduced. There are many excellent clarifications of passages that in the earlier version were of almost insuperable opacity. Small corrections like the placement of "du Deffand" by "du Deffand", or "wrapper" by "dressing-gown", "watch-bracelet" by "wristwatch" and "sterile Mcdusa" (no snakes!) by "sterile jellyfish", improve readability. Many of the French words that littered the earlier version—a sort of *virement* (in an accountancy context), or "abogee" (not well-judged as the English "transfer") and "barker" while "Monsieur your father" gives way to "your distinguished father". Kilmartin also eschews the misplaced delicacy that renders the carriage *quintessence* as "a carriage like a... you could smell it a mile off" and opts for one that "reeked of harlot".

Jupien's thoroughly indelicate *Vous en avez un gros pardoe* to which Kilmartin's "you have a big butt you have!" is now more robustly rendered as "What a big butt you have!" On the other hand, the *verve* of the phrase *le verve de la vie* in Kilmartin's is "abdomen", becomes in Kilmartin's with scant respect for anatomy or plausibility—her "stomach". There is still, in both translations (though much less in Kilmartin's) some insensitivity to the reader's occasional need for a word to indicate stress and meaning. A sentence which runs: "I could not regard as wasted hours in which..." causes an unnecessary hiccup in the reading, in consequence, reader may often feel, when clauses or nouns accumulate, the lack of a steering "or" to improve his navigation, or a friendly "and" to help him over the style. Kilmartin has, however, done much easing of tortured syntax, though some sentences still languish on the rack and has removed some comic *gaucheries*, like "metaphor leaves you deaf and dumb" history cold whose passing one is tempted to mourn. As winter turns (as it surely must) to spring, it will console many to know that a whole summer's reading is now portably available in three English volumes packed with poetry, wit, and humour, and penetrating observation both of the external scene and of the landscapes of the heart.

Valerie Minogue

ROBIN LANE FOX

# THE SEARCH FOR ALEXANDER

An outstanding illustrated study from the award-winning author of *Alexander the Great*

"Both scholarly and attractive to the general reader... Robin Lane Fox has brought the story up to date, and made a second notable contribution to the quest and to the pleasures of the past." — Philip Howard, *The Times*

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Allen Lane



# Souness breaks Bulgarian backs

By Norman Fox

Football Correspondent

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pool half led to Dalglish holding

out Rangelov while Souness made

a game before scoring the

ball and planting it past Velkov

for a fine goal.

Liverpool's pleasure was slightly

diminished when it became obvi-

ous that Thompson was in dis-

comfort after stretching for a

tackle and receiving a kick. He

had to leave the field allowing

Irwin to replace him in the centre

of the defence where he was even

more uncomfortable against the

speed of the Bulgarian forwards

when they raced towards him.

If Dalglish should have made

more of the chance from eight

yards out, although a tricky angle,

CSKA could claim, or admit, that

control and counter-attacking they

were outstanding. Here, however,

Liverpool's stamina, physical

presence and, above all, Souness

goals were down all the invasion.

In the end, CSKA dropped.

At 3-0 Sofia had given them-

selves hope with a defiant goal,

and they had often run the Liver-

pool defence into a nervous state,

yet, finally, they paid for failing

to take their well-earned chance.

They are certainly capable of clos-

ing the margin in Sofia in a fort-

night's time, but Liverpool's

experience will surely take them

to the semi-final.

Without Johnson, Liverpool used

Heighway's speed on the left and

his brute work that gave the

Bulgarians a troublesome start,

constantly needing to clear their

penalty area as Dalglish inter-

cepted the flow of the attack.

The danger that Forest had seen

but not countered in their European

ties was the breakaway speed of

CSKA, mainly through Markov and

Djevisov, and although not often

given such opportunities here, the

threat was clear.

When Hansen let Yonchev

escape him dangerously close to

goal, Clemence was required to

use all of his speed to throw him-

self into the legs of the striker.

A little later, and Liverpool turned

back to attack in force. A pitch

length movement begun by Alan

Kennedy, taken on by Dalglish, led

to a goal. Liverpool's defence

was not always at ease in its

own penalty area. Just such a

majestic stroll through the Liver-

pool defence as the occasion, brought

satisfaction.

The value of Hansen, so badly

missed for so long this season,

was evident as he strode confi-

dently out of defence although he

was not always at ease in his

own penalty area. Just such a

majestic stroll through the Liver-

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majestic stroll through the Liver-



Souness: superb goals highlighted Liverpool's performance.

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## West Ham in awe of the celluloid ghosts

By Stuart Jones

West Ham 1

Dinamo Tbilisi 4

West Ham 1

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ACCOUNT DAYS: Dealings Begin, March 2. Dealings End, Today. § Contango Day, March 16. Settlement Day, March 23  
§ Forward bargains are permitted on two previous days

[illegible]

## THE SCOTCH OF A LIFETIME

## The Buchanan Blend





Talbot brings forward plan for Horizon, page 24

**Stock markets**  
FT Ind 500, up 3.8  
FT Gilt 68.66, down 0.18

**Sterling**  
\$2.1985, down 75 pts  
Index 98.7, down 0.8

**Dollar**  
Index 100.6, down 0.7  
DM 2.1355, down 225 pts

**Gold**  
\$464.50, down \$8

**Money**  
3 mth sterling 12 1/2%  
3 mth Euro \$16 1/4-16 1/2%  
6 mth Euro \$16 1/4-16 1/2%

**IN BRIEF**

**Hopes rise of new agreement on cocoa**

The chances of a new international cocoa agreement coming into effect rose after what delegates to a London meeting of the International Cocoa Organization (ICCO) described as a "conciliatory statement" by the Ivory Coast.

Delegates agreed to adjourn the meeting until April 6, so avoiding a decision on what to do with the \$220m (£100m) buffer fund which has technically been in liquidation since the expiry of the old cocoa agreement in March 1980.

Informal discussions will be held on the rules for operating the buffer stock, should the agreement reached in Geneva last November come into operation.

The main area of discussion is likely to be the minimum buffer stock intervention price of 110 cents a pound. The Ivory Coast, the world's biggest cocoa producer and exporter, has argued that the floor price is too low. Without the Ivory Coast's participation it is difficult to ratify the agreement.

**Worker participation**

A big increase in attempts by employers to consult with their workforces is revealed in a British Institute of Management survey. About 90 per cent of companies employing 1,000 or more had some form of participation scheme.

**Writ for British Steel**

British Steel Corporation has been served with a writ by the steel unions which seeks to prevent it from implementing the McGregor "survival" proposals for the Vauxhall plant works near Swansea.

Steel protest, page 24

**NEB 1,500 pc profit**

The National Enterprise Board has sold its 30 per cent shareholding in Automation and Technical Services (Holdings) to Incochem Investments, a new investment company, for £806,250. This represents a record percentage profit for an NEB disposal of 1,512.5 per cent, based on the April 1978 investment of £50,000.

**Lonrho's Fraser bid**

Lonrho's £158m takeover bid for the House of Fraser stores group was approved by a majority of Lonrho shareholders yesterday. Lonrho was bidding 150p a share, but if the Monopolies Commission allows, it will be free to come back with a new offer.

**BNOC Dubai venture**

The British National Oil Corporation will take an equity share in an oil concession in Dubai Emirate of the United Arab Emirates held by Atlantic Richfield's Arco Dubai subsidiary. The Gulf News newspaper said.

**Wall Street higher**

The Dow Jones industrial average closed at 971.44, up 5.42 on Wall Street yesterday. The S=SDR exchange rate was 122.609 while the F=SDR rate was 0.553540.

**PRICE CHANGES**

Rises	Falls
Burnett's share 45p to 98p	Cons Gold Fields 5p to 42p
Diploma 7p to 17p	De La Rue 15p to 60p
Euromet Int 10p to 30p	Ferranti 5p to 54p
Miss Bros 10p to 15p	Grundys Bldgs 10p to 16p
Ransome Sims 15p to 15p	Jarvis J. 5p to 19p
Ultronat 13p to 57p	
Unilever 8p to 25p	
Wadkin 7p to 8p	
Whitcroft 5p to 57p	
Ldn Sumatra 5p to 37p	
SL Holdings 8p to 35p	
Mercantile Inv 5p to 5p	
F Pratt Eng 5p to 11p	
SGS Group 7p to 13p	

**THE POUND**

Bank	Bank	Bank	Bank
Australia 5	1.56	Norway Kr	12.45
Austria Sch	35.00	Portugal Esc	127.00
Belgium Fr	81.75	S Africa Rd	2.05
Canada \$	2.73	Spain Pta	197.00
Denmark Kr	12.45	Sweden Kr	10.72
Finland Mk	9.50	Switzerland Fr	4.46
France Fr	11.42	US \$	2.20
Germany DM	4.88	Yugoslavia Dn	82.50
Greece Dr	116.00		
Hongkong \$	12.25		
Ireland P	1.33		
Italy Lit	2360.00		
Japan Yen	486.00		
Netherlands Gld	5.39		

**BL to cut 24,000 more jobs in next two years, MPs are told**

By Edward Townsend

BL will cut about 24,000 more jobs in the next two years before the company is back on the road to recovery, Sir Michael Edwards, the chairman, told a Commons select committee yesterday.

He said that the state owned company's United Kingdom labour force, now down to about 130,000, had fallen by an average of 1,000 a month since he took over in 1977 "and will go on dropping until it reaches an all time low at the end of 1982".

Sir Michael's manpower forecasts are certain to cause considerable disquiet and widespread opposition among trade union leaders, particularly as the Government has just agreed to provide a further £990m of state funds to finance the company's development and reorganisation plans for the next two years.

At the end of this month, BL is expected to announce results for 1980 showing losses of about £400m compared with £122m in 1979.

Sir Michael said that after 1982 the company would begin to recruit workers again. A 10 per cent increase in productivity was envisaged this year and next and further gains would be made in 1983 as the volume of vehicle production rose with the introduction of new models.

But he was warning that employment at BL would "never reach the sort of levels we had before within the next 10 years".

By the end of 1982 he expected the company, which has a worldwide labour force of 140,000, to be employing just over 100,000 and keeping in work an additional 200,000 in component supply companies.

Sir Michael said he had been "astounded" at the way manufacturing throughout BL had been reduced without a single

**Linwood closure 'unlikely to sway Datsun decision'**

By John Huxley

Peugeot's closure of the Talbot car plant at Linwood, Renfrewshire, is unlikely to influence Nissan in its choice of a site in the United Kingdom for a new £300m plant to produce Datsun cars, MPs were told yesterday.

Sir Peter Carey, Permanent Secretary at the Department of Industry, said there was nothing contradictory in the decision of one company to plan investment in the British motor industry while another was cutting back. He added that there was no reason why Scotland should not provide a suitable site for Nissan.

The weakness for Linwood was probably that it represented a split of activity at a time when, for the British motor industry, it would have been better to have had concentration.

By contrast, Nissan will be coming in to build a single new plant. Sir Peter said that Linwood's investment incentives were crucial in attracting companies such as Nissan. He was giving evidence to the Commons Committee of Public Accounts on the effectiveness of the Government's regional policies.

Earlier Sir Peter accepted that research to determine the overall benefits of the policies was "inconclusive". Since 1971 regional incentives had cost about £5,000m.

It is told the committee that, taken over a long period, evidence suggested that regional policy had made a "substantial contribution" to the economies of the areas involved. But he added that in assessing the net benefits it was difficult because of a lack of regional data to distinguish whether improvements were due to specific regional or general national policies.

"The evidence available suggests that regional policy is effective in influencing the direction rather than the level of investment."

"We are not just sitting back and saying, 'it is all too difficult, we cannot measure the effectiveness of the money we are spending. We want to make sure as much as the committee does that we are getting value for money.'"

But he gave a warning against making changes in the framework of regional policy. "I have found that the single feature to which industry attaches importance is that it knows where it stands."

He expected the present regime to be maintained through the life of this Parliament.

Horizon plans, page 24

**Call for biotechnology backing**

By Bill Johnston

The private sector has a substantial responsibility in the exploitation of biotechnology, according to a government White Paper published yesterday.

Government policy outlined in the paper comes in response to a report last March by the Advisory Council for Applied Research and Development (ACARD), the Advisory Board for Research Councils and the Royal Society.

The study group on biotechnology was chaired by Dr Alfred Spinks, formerly director of research at ICI.

The paper praises the work on biotechnology which has already been conducted by a number of British companies, including Glaxo, Becton, ICI, Rank Hovis McDougall and Tate and Lyle.

But the paper emphasises that in future "The Government's interest looks to the private sector to exploit British scientific and technical discovery and build up its competitive position by importing good developments through licences or otherwise as well as from its own research and development."

Biotechnology is used in a variety of forms to create, under controlled conditions, foodstuffs and medicines.

The Government has also recognised the need for co-ordinating the activities of its departments in biotechnology.

**Japanese workers and employers prepare for pay demands ceremony**

**Tradition prevails at the time of the rising wage**

Japan is getting ready for the annual shunto or spring wage offensive with labour leaders and managements proposing conflicting strategies for checking inflation and expanding the economy.

The shunto reaches a climax in mid-April when thousands of workers hold street rallies and sometimes lock their bosses out of offices and factories.

In the group-minded Japanese society, both sides want to win public approval for their arguments about the size of the wage rises.

The main labour unions are jointly seeking a 10 per cent increase this year.

For the first time since the shunto started in 1956, the unions last year put forward a unified claim, for 8 per cent, just as Japan was overcoming the worst effects of sharp increases in imported oil prices during the previous 12 months.

The unions eventually accepted average wage increases of 6.7 per cent last year, which some labour leaders regarded as a defeat but was seen by many economists as a big defeat behind Japan's reasonably sound 1980 economic performance.

The average Japanese worker received 263,380 yen (£560) a month last year, which was a 0.9 per cent drop in real terms, the first decline since 1952 when the Labour Ministry began regular surveys on wage levels. However, annual wages, including summer and year-end bonuses rose a nominal 7 per cent.

Labour leaders say their 10 per cent demand is designed to cover the fall in real wages last year, and thus help to stave off effects of further price rises in fiscal 1981.

The unions have defended their demand by maintaining that such an increase is necessary to help expand domestic consumption, which accounts for more than half of Japan's gross national product.

Some economists believe the fall in real wages slowed domestic consumption, which caused sluggish car sales and a decline in the rate of increase of housing starts, forcing the economy to rely for growth largely on higher exports.

The government's outlook for fiscal 1981 calls for real economic growth of about 5.3 per cent against an estimated 4.8 per cent in fiscal 1980.

The Federation of Employers' Associations, without giving management guidelines for salaries, already has rejected the reasoning behind workers' demands.

But the shunto confrontation between management and workers does not illustrate real relations between the two sides, which are very cooperative.

Mr Zenko Suzuki, the Prime Minister, last year said: "Japan is not blessed with natural resources, but we have a splendid resource called labour-management relations of which other countries are envious."

Ikuro Anai

**THE TIMES BUSINESS NEWS**



Trade unionists, industrialists, and members of the Government around the table at yesterday's meeting of the National Economic Development Council. In the foreground are (from left) Sir Keith Joseph, Secretary of State for Industry; Sir Geoffrey Howe, Chancellor of the Exchequer; Mr Geoffrey Chandler, director-general of the National Economic Development Office; and Sir Peter Parker, British Rail chairman.

**Mr Heseltine to open talks with councils on purchasing policies**

By Patricia Tisdall  
Management Correspondent

Mr Michael Heseltine, Secretary of State for Industry, is to discuss government purchasing policies with local authorities shortly as part of a campaign to help industry. This and other commitments were outlined by Sir Keith Joseph, Secretary of State for Industry, in a progress report given to the National Economic Development Council yesterday.

Sir Keith promised that his own department would develop contracts with at least 80 leading companies in the next few months to discuss impediments to government contract tendering. In particular, he hoped that public purchasing officers, including those in nationalised industries, would make more use of British Standards when drawing up specifications.

Department of Industry officials also are to carry on talks with individual National Economic Development Office (NEDO) sector working parties and with trade associations.

Plans include a combined Department of Industry, Institute of Purchasing and Supply and NEDO seminar for senior public sector purchasing officers. The public sector is to be encouraged to rely more on its suppliers' research and development efforts or to contract out more of its research requirements to the private sector.

The Advisory Council for Research and Development recommended a shift in the balance of research and development carried out by purchasers towards that carried out by their suppliers. Sir Keith said that the Government would respond positively to the council's recommendations.

**Pound slips in nervous trading**

By Frances Williams

Leading currencies seen on nervous and volatile foreign exchange markets yesterday. The pound, which followed Tuesday's upward trend against the dollar during the morning, fell back in afternoon trading to close 75 points down at \$2.1985.

The pound lost rather more ground against other leading currencies, with its effective exchange rate index falling 0.8 to 98.7.

The pound's movements largely mirrored those of the dollar. The United States currency was sharply weaker yesterday morning, reflecting lower Eurodollar interest rates. These apparently were influenced by remarks by Mr Paul Volcker, chairman of the Federal Reserve Board, on the sluggish state of the American economy.

But the afternoon decision by the German federal bank to keep open its special 12 per cent Lombard facility, under which it supplies funds to the commercial banking system, prompted a late fall in the Deutsche mark, against which the dollar is chiefly measured.

After falling 4 pennings against the mark at an auction, the dollar ended London trading down 21 pennings at DM2.1355.

Gold closed at its lowest level since December, 1979, dropping by \$11.50 to \$464.50 an ounce.

**Giro service joins clearing banks**

By Roman Eisenstein  
Banking Correspondent

National Girobank, the banking arm of the Post Office, is becoming the tenth member of the London Bankers' Clearing House, the system through which banks transfer cheques among themselves. Mr Samuel Wainwright, Girobank's managing director, said yesterday that it would take two years to bring membership to become fully operational.

Girobank is now setting up a central clearing department and will also open a clearing office in the City. This will involve the setting up of the necessary data processing and administrative facilities.

The next step will be for Girobank to join the Bankers' Automated Clearing Services and offer its business customers direct access to the service. This will enable customers to transfer payments directly through a data-processing operation.

Girobank is already a member of the payment and wages working group formed by high street banks to encourage companies to pay through direct credit accounts at banking institutions. It also aims eventually to change the present weekly wage payments to a monthly basis.

Girobank officials believe that the entry into the clearing system is a further move towards the provision of full banking services to customers. In recent years it has enlarged its facilities and now provides most of the day-to-day banking services personal customers need, including loans of up to £3,000.

The Post Office launched its Giro system 12 years ago and over the period it has grown significantly. The system now exchanges 100 million cheques with other banks and it is the growth of the business that has prompted the membership of the clearing house system.

At present Girobank is clearing its cheques through its centre in Booter where they are sorted out and accounts are credited or debited and settlement is eventually made with other banks through an account at the Bank of England.

Business Diary, page 25

**Norton Warburg offshoot agrees to assets freeze**

By Our Financial Staff

Norton Warburg Investment Management, part of the Norton Warburg Group which announced it would go into liquidation two weeks ago, agreed to a temporary injunction freezing all its United Kingdom assets in the High Court yesterday.

The company, which is said to have a deficiency of £2.5m on the accounts of its London clients, is being sued by several groups of the 360 investors. Some are seeking the appointment of a receiver and others want their share portfolios returned.

Mr Justice Dillon adjourned the applications to a date yet to be fixed.

Norton Warburg Investment Management is a wholly-owned subsidiary of the Norton Warburg Group, which was set up eight years ago to provide investment management services and financial advice, and now handles £16m of funds.

Its clients include high-earning pop stars such as Robin Gibb of the Bee Gees and at one time members of the Pink Floyd pop group.

Norton Warburg Group confirmed last month that the holding company and three of the six subsidiaries were being put into voluntary liquidation.

There is no connection between Norton Warburg and S. G. Warburg, the merchant bank.

There is no connection between Norton Warburg and S. G. Warburg, the merchant bank.

**Budget may reduce industry's energy bill**

Continued from page 1

Energy ministers have stressed that the electricity industry will have to cover its costs, and that the British Gas Corporation's price structure will remain market-related. But within that framework, the Government sees scope for greater flexibility and some relief.

It is widely expected that the Chancellor will cut excise duty on heavy fuel oil which at £8 a tonne is among the highest in Europe. Other measures may include alterations in fuel tariff structures of special discounts for high energy using industries, both of which are possible within present legislation.

The NEDC report was warmly welcomed last night by the industries which have been pressing for action. Sir Terence Beckett, director-general of the Confederation of British Industry, emphasized that it was important for the Government to act promptly.

The report confirmed that, for large users of gas, United Kingdom prices were 10 per cent to 15 per cent higher on average than those in other European countries; electricity prices were in some cases 10 per cent to 35 per cent more than in West Germany and France; United Kingdom foundry coke prices were 30 per cent higher than in Europe generally.

Other EEC countries subsidised their home-produced coal by at least £30 a tonne more than the United Kingdom. Oil product prices in the United Kingdom were also higher for most of last year, and although in recent weeks prices have

been more in line with Europe, the position remained "volatile".

Last night Mr Martin Trowbridge, director-general of the Chemical Industries Association, said it was regrettable that the report had not been available last autumn when it had become obvious that energy price disparities had built up to levels which seriously affected the United Kingdom's competitive position.

"Even taking the general levels of prices quoted in the report as a very conservative basis, the cost to the United Kingdom chemical industry of end year differences amounts to about a 170 million a year compared with our major continental competitors," he said.

ICI, one of the country's biggest single users of energy which pays a £700m a year energy bill, emphasized the need for "very urgent attention and action by the Government."

The British Steel Corporation and the British Independent Steel Producers Association, in a joint statement, said that the Government should insist on creating a competitive situation in the United Kingdom energy market.

The nationalised utilities and the oil companies should be encouraged to compete actively with each other and with their Continental counterparts.

European companies, the steelmakers said, realized that their industrial customers were in direct competition within and outside the EEC with customers of other countries' utilities.

Leading article, page 17  
Paying over the odds, page 25

**THE PRESTIGE GROUP LIMITED**

Mr. David Lawman reports on 1980

The following is an extract from the Statement by the Chairman, Mr. D. J. T. Lawman, which has been circulated with the Report and Accounts for the year ended 31st December, 1980.

Group sales for the year of £64,815,000 showed an increase of 4.1% compared with last year's total of £62,250,000. Group profit for the year before taxation was 8.1% lower at £5,669,000 (1979 - £6,169,000).

The results for 1980 reflect the severe reduction which took place in consumer demand at home starting in the second quarter of the year, accompanied by substantial customer destocking. Furthermore, the strength of sterling had an adverse effect on the profitability of export sales and on the results of overseas subsidiaries in sterling terms.

The Board is recommending a final ordinary dividend of 17.5% making a total for 1980 of 27.5% (1979 - 27.5%). This dividend is covered 2.8 times by profit attributable to shareholders.

1980 IN BRIEF	1980	1979
SALES	£64,815	£62,250
PROFIT BEFORE TAX	5,669	6,169
EARNINGS PER SHARE	19.2p	20.3p

Copies of the 1980 Accounts and the Chairman's Statement may be obtained from the Secretary, The Prestige Group Limited, Prestige House, 74-76 Holborn, London EC1N 2LQ. The Annual General Meeting will be held in London on 26th March, 1981.

**Prestige**

Manufacturers of 'Prestige' 'Skyline', 'Ewbank', 'O-Cedar', & 'Old Hall' household products.

Overseas companies operating in Australia, Belgium, France, Germany, Italy, Japan, New Zealand, South Africa, Spain, Sweden.





## W Germany may breach steel policy

Herr Helmut Schmidt, the West German Chancellor, will raise the issue of government subsidies for steel products granted in some Community states at the next EEC summit meeting in Holland on March 23 and 24.

If strict controls on subsidies and voluntary production cut-backs could not be agreed by the end of the month, Germany may be forced to contravene EEC rules guaranteeing a unified policy on steel, sources said.

Community industry ministers resolved yesterday that no new state aid schemes could be introduced after July 1, 1983.

The West Germans said the curbs did not go far enough and would have to be strengthened.

### General Motors loss

General Motors said it lost \$539.3m (£234m) in Europe in 1982 compared with net income of \$338.2m in 1979. The European loss was said to be the largest net loss of \$762.5m in 1980 net loss.

### Israeli pay rise

Most Israeli employees will see their income rise 25 to 30 per cent next April, through a tax cut and a cost-of-living wage increase of 19.5 per cent. But Israelis are more highly taxed than the citizens of 59 other countries.

### EEC inflation up

The European Economic Community registered a one per cent increase in its inflation rate in January, with France and Greece having the highest figures.

### German jobless

West German unemployment fell 8,646 in February to 1.30 million—5.6 per cent of the labour force. It was the first monthly fall since September, 1980.

### China to raise \$18m

China plans to tap the Japanese capital market for the first time later this year to raise the equivalent of about \$18m (£21m) through a privately-placed yen denominated bond.

# Move to advance assembly of cars in Britain to attract fleet buyers

## Talbot speeds up Horizon plans

Talbot, 70 per cent of whose United Kingdom car sales are accounted for by fleet and company buyers, is advancing plans to assemble the French-made Horizon in Britain to replace its biggest fleet seller, the Avenger.

Avenger production is to cease in May with the closure of the Linwood plant, leaving a gap of eight months before the Benger version of the Horizon is available.

The car has been on sale here for nearly two years but almost all purchases have been by private motorists. Fleet and company buyers have made it clear that without a "Made in Britain" label it only partly true, they cannot justify large scale purchases in the present economic climate.

Mr George Turnbull, chairman of Talbot UK, said yesterday: "A number of big fleet customers have told us that the Horizon would be a very attractive proposition for them if it was made in Britain. We are pushing ahead with plans to have the Horizon in production at Ryton before the end of the year with the engine being built at our Stoke plant and containing a significant proportion of British components."

Stoke also produces engines for the Avenger and Sunbeam models which will be discontinued with the closure of Linwood. This has led to concern among the 3,400 employees there that the workforce would be progressively reduced. However, a number of recent developments, including Horizon engine work, now make this unlikely.

The most significant development is the dramatic improvement in shipment of engines, gearboxes and axles to Iran. Soon after Peugeot acquired Chrysler UK (since renamed Talbot) the Iranian revolutionary authorities stopped all shipments on the 500-a-year contract.

Reduced shipments resumed last year only to be interrupted by a 12-week strike in the Coventry factories. Iran's war with Iraq halted shipments again but the biggest blow was the bombing of the Iranian car plant on the outskirts of Tehran. The Iranians at first said the damage was minor but later admitted serious disruption of production. Repairs taking several months have just been completed.

Mr Turnbull said yesterday: "The black-out prevents them working two shifts but with the advent of lighter nights, production is now being increased from 300 cars a day to 350 with a target of 400 cars a day to take up the pre-trouble days and will make a significant difference to our profitability. We now hope to be back in profits sometime next year."

He has persuaded the Iranians, with whom he worked as a consultant for over a year, to take the Avenger engine in place of the much older Hunter power unit allowing production to continue at Stoke after Linwood closes.

He has also won contracts to supply Avenger engines to two further Iranian companies. The total production of 20,000 pick-up trucks a year. Half of them are Japanese Mazdas and Mr Turnbull claims that this will be the first instance in the world of a western engine displacing a Japanese one.

When Linwood closes in two months' time with the loss of 4,800 jobs Talbot's United Kingdom labour force will be down to only 10,000 compared with 23,000 in January, 1979. This has led to speculation that Peugeot sees its future as a sales and marketing outlet for French-made cars.

Mr Turnbull, vehemently denies this. "Peugeot said at the beginning and they still say now they wish to maintain a significant manufacturing presence in the United Kingdom. They have never deviated from that policy and they are doing it for very good reasons. This move is a welcome and more in favour of companies who have a manufacturing base here. If Peugeot withdrew it would have a dramatic effect on our sales."

Mr Turnbull has a further two years to run on his five-year contract and despite recent rumours to the contrary has every intention of seeing it through.

Clifford Webb

## Hoover to make 900 redundant

By John Huxley

Hoover, the domestic appliance manufacturer, is to make about 900 workers redundant at its three factories in Merthyr Tydfil, South Wales, Cambuslang, near Glasgow, and Perivale, London.

Last week, the company, which is 71 per cent owned by Hoover of Ohio, announced a pre-tax loss for 1980 of £2.75m.

About 300 jobs will be lost at Merthyr Tydfil, where the workforce totals 3,900. There will be 400 redundancies at Cambuslang out of 2,700 jobs, and 200 at Perivale, out of a total of 1,500.

At the start of this year the company's British workforce numbered slightly over 10,000, including marketing and administrative staff.

The redundancies come after a lengthy period of trading difficulties, which resulted in the shedding of more than 1,000 jobs last year, about 580 of them through redundancy, and the introduction of short time working for the entire workforce in September.

Yesterday, a company official blamed the redundancies on a combination of adverse factors, including falling demand in the domestic market and the strength of sterling, which has made exporting more difficult.

Hoover claims 40 per cent of domestic cleaner sales in the United Kingdom and about 35 per cent of the market for washing machines. Both declined during 1980, the former by about 8 per cent and the latter by about 4 per cent.

At the same time imports have climbed steadily. Last year imports of cleaners rose by about 50 per cent and now take about 36 per cent of the United Kingdom market. Other domestic appliance makers have also been forced to introduce short time working and declare redundancies, and no manufacturer has been able to secure price rises. Stocks are now standing at their highest level for several years.

## US forum to study economy

By Frank Vogel

Washington, March 4

A fresh attempt has been made to establish a forum for direct discussions between leaders of American business and trade unions.

After a year of negotiation a formal "labour-management" group was announced today by Mr Clifton Garvin, chairman of Exxon and head of the business roundtable, and Mr Lane Kirkland, president of the AFL-CIO national union organization. They said the government had not been invited to participate. Mr Kirkland said that this was likely to be advantageous as both sides of industry searched for common ground on economic policies.

The last such effort at a labour-management dialogue collapsed in mid-1978 when the trade unions ended talks after particularly bitter lobbying in Congress by business groups against labour reform.

The new group is being chaired by Professor John Dunlop, of Harvard University, a former United States secretary of labour. He stressed today that every other industrial nation in the world had a forum for labour-management relations.

The group would not become involved in contract negotiations of any kind.

Those in the bottom half of the income distribution have seen their share of the income cake remain almost constant over the 30 years, despite the enormous rise in real incomes in the period.

The official figures, given in an article in *Economic Trends* published yesterday by the Central Statistical Office, show that in 1978-79 the top 10 per cent of personal income before tax went to families in the top half of the income distribution.

scarcely change the overall picture. The share of the richest 1 per cent fell from 45 per cent in 1974-75 to 39 per cent in 1978-79, as did that of the poorest 10 per cent, from 3.1 per cent to 2.9 per cent. At the same time the income share of the next richest 9 per cent went up.

## Top earners worst hit under Labour

By Frances Williams

Incomes became more divided during the period when the last Labour Government was in office, according to official figures published yesterday.

The share of income before tax of the top 1 per cent fell from 6.2 per cent in 1974-75 to 5.3 per cent in 1978-79. But the share of the bottom 10 per cent also declined, from 2.6 to 2.4 per cent.

Instead, the relative loss of the top 1 per cent was largely reflected in relative gains by the 9 per cent immediately below them.

The effects of taxation

SECRETARIAL

SECRETARY, N.W.2.

Wally Fashions are looking for a hard working secretary for their retail Operations Manager. The post is interesting and varied, and calls for good secretarial skills, numeracy and use of initiative, and involves frequent contact with the branches.

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RENTALS

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RENTALS

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## LETTERS TO THE EDITOR

### Poor results at ICI

From Mr D. N. Lawson

Sir, I notice that ICI blame one of the key factors in the world recession, the exchange rate, for the poor results. Presumably they did not think we would believe them if they ascribed the poor performance to the phases of the moon or to the malign influence of the planets.

I had always believed that one of the key factors in senior management was the necessity to make decisions about the real world where Governments do act, recessions and over-capacity do occur, oil prices cannot be extracted forever; that ICI directors were paid so highly because they could make the necessary decisions correctly and they were then responsible for the consequences of those decisions. It is fairly obvious

from the results that the key decisions have been wrong more often than they have been right. Had the decisions been taken by tossing a coin, the laws of probability suggest that half the decisions would have been correct. That would appear to be a better success rate than the present senior management have achieved, and at a much lower cost!

Such a method would cause problems of deciding where the responsibility for decisions lay, but under the present scheme ICI senior managers do not have personal responsibility for the consequences of their decisions. Perhaps shareholders ought to try to persuade them otherwise.

Yours faithfully,  
D. N. LAWSON,  
1 Bradgate Road,  
Brooklands,  
Surrey, TW20 3GW.  
February 28.

### Exonerating sugar

From Mrs E. Lewis

Sir, Possibly Mrs Gaddum (restricted sugar choice, February 20) will be glad to know the following facts. The pure substance obtained from the sugar cane is sucrose. The pure sugar obtained from the sugar beet is similarly sucrose. Both are marketed as granulated sugar and are in the pure state, aside from a negligible per cent

age of water. The failure of preserves to set will not have been due to the sugar, as such, but to one or more of the usual culinary causes of this occurrence.

Yours faithfully,  
E. LEWIS,  
14 Elphinstone Road,  
Hastings,  
East Sussex, TN34 2EF.  
February 23.

### Problems of nuclear reactors

From Professor J. V. Jeffery

Sir, Professor Franklin (letters, February 24) tries to prove too much. He indicates that in 20 years' time we may be using twice as much electrical energy as at present and that we should have 90 per cent of it generated from nuclear power. This would involve starting building five large nuclear stations every year from now until 1994—70 in all. But fortunately there is an alternative indicated by the letter in the *Evening News* from the East Angles Coordinator of the Royal Institute of British Architects: on promoting energy conservation (a subject not mentioned by Professor Franklin).

Conservation and increase in the efficiency of energy use in industry and transport would allow us, as the IED study shows, to double production, while actually decreasing our primary energy consumption. This is all without any significant contribution from renewable sources. But there are about 200 square miles of roofs in this country and a good something of the same area on commercial and industrial

buildings, so solar panels allied with the building of local fluidized bed power stations by the power conservation industry and the use of waste heat for district heating would easily satisfy the demand for electricity and low temperature heat.

The use of the intermittent power of wind, wave and photovoltaic will be helped by all forms of storage, including electric vehicles. If we include biotechnology, already producing half of Brazil's "petrol" for new cars, it is perfectly possible to see how adequate energy future could be achieved without the dangers of nuclear power development.

The dangers are not only of proliferation of nuclear weapons, although that is by far the greater threat to mankind, but also of nuclear power itself. It is the only example I can think of where man deliberately starts something he cannot stop. It is not generally realized that a nuclear furnace cannot be completely shut down. Immediately after a large nuclear power station is

"scrammed" while on load, for any reason from grid failure to a catastrophic failure of coolant, the heat is still being generated in the nuclear furnace from radioactive decay, and complete shutdown is equivalent to four of the largest open nuclear electric furnaces used in the Three Mile Island C-2 reactor. The heat is still being generated in the nuclear furnace from radioactive decay, and complete shutdown is equivalent to four of the largest open nuclear electric furnaces used in the Three Mile Island C-2 reactor.

It is this unstoppable heat, the partner of the unique ability of radioactivity which has been developed in the nuclear furnace, that is the reason the major safety problems of nuclear reactors.

Yours, etc,  
JIM JEFFERY,  
Department of Crystallography,  
University of London,  
Malet Street,  
London, WC1E 7HX.

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## BY THE FINANCIAL EDITOR

## Cons Gold's rich seam

Appropriately, gold has enabled Consolidated Gold Fields to maintain its record of raising profits and dividends faster than inflation.

Despite falls in the first half contributions to operating profits from base metals and most of the manufacturing interest, pretax profits were up 16 per cent at £76.2m, and the dividend is increased by the same percentage to 12.1 pence. Measured by earnings per share, the performance was better: up 20 per cent to 30.3p, allowing for the rights issue.

The reliance on gold is very clear. Earnings from the 47 per cent stake in Gold Fields of South Africa were £22.8m compared with £10.9m, and dividends from direct holdings in South African mines more than doubled as well to £14.8m. These results more than offset the decline in other sectors.

The biggest fall, though expected, was in construction materials, at Amey Roadstone. Operating profits fell £5.2m to £19.5m, reflecting a collapse of demand caused partly by the reduction in public spending. The results also include £2m for redundancies and closures.

The American drilling equipment and the Azcon scrap metal interests did well, but on balance the other manufacturing and commercial operations dropped £1.9m to bring in operating profits of £11.7m.

In all, the industrial business contributed 37 per cent of operating profits against 51 per cent in the first half of last year. Even though the base metals fell by £5.2m to £13.8m, largely because of low tin and copper prices and strikes at Renison, the whole mining sector increased its share from 36 to 49 per cent.

What these results show is that diversification works both ways: industrial profits can fall as well as rise. With little hope of industry doing better in the first half of 1981—Cons Gold's second half—and with the gold price similarly depressed, the company will be lucky to beat inflation again.

The market realised this when, after marking the shares up 37p at one point, they closed 5p lower at 423p. Assuming a dividend increase over the whole year of 15 per cent the yield is about 8.7 per cent. But, in the meantime Cons Gold is likely to have told shareholders how it intends to spend its rights issue proceeds.

● **Lazards is continuing to reap the benefit of the breakthrough it made with the financing of the Hongkong Mass Transit Railway through the first foreign-currency buyer credit package denominated in the currency of the buyer three years ago.** Yesterday the merchant bank announced that it had arranged an ECGD-backed loan for HK\$244m to finance Metro-Cammell's contract for the MTR's latest extension.

The great attraction of this deal was that since the Railway's income was in HK dollars it laid itself open to big currency risks in taking out sterling debt.

Indeed the first stage of the MTR was financed in sterling and the currency scars are now showing up in the accounts. For the second stage of the development the authorities made sure they would repay debt in the same currency in which they were getting their revenue. And for the third stage "Island line" this form of financing is a "pre-condition for contracts".

There is every indication that but for this procedure, and the flexibility and co-operation of Britain's ECGD, British contractors would not have got a look in on the contracts. To date Lazards has netted £100m worth of ECGD-backed HK\$ finance which has proved less onerous for the United Kingdom clearing banks than other foreign currency deals arranged through the ECGD since it does not have to be refinanced through the Eurocurrency markets.

## General Accident Star turn

Justifying its star rating among insurance companies, General Accident is the only one of the big three United States-oriented groups to report increasing profits. A full-year gain of 7 per cent to £92.3m pretax compares with falls of seven and 25 per cent respectively reported recently by Royal and Commercial Union.

But after a year in which overall under-

writing losses spiralled from £18.2m to £27m GA seems no more sanguine about near-term prospects for the industry than either of its rivals.

Reflecting its bias towards less volatile personal lines business, GA has fared significantly better than CU and Royal in the United States. A tiny fourth quarter surplus reduces the year's deficit to £4.5m against £11m previously producing a statutory operating ratio of 101.5 per cent which is a few points below the industry average.

At the same time milder weather has reduced household and motor claims slashing the United Kingdom deficit from £10.3m to £2.4m. But severe competition has hit the group hard elsewhere, particularly in Australia and Canada and here as in the United States, the group thinks conditions will worsen before they improve.

Investment income, however, continues to take the strain showing a rise of 14 per cent to £119.3m, while strong equity market, and relatively modest premium growth—12 per cent excluding currency movements—have helped put 7 points on the solvency margin at 59 per cent.

Despite ferocity in world markets, General Accident's high quality business portfolio should enable a further profit advance possibly to £105m this year. But the real key to GA's current attractions lie in its dividend paying capacity. A 121 per cent dividend increase produces a yield of fractionally under 6 per cent on the shares, up 2p to 324p. This is almost three points below that offered by Royal and nearly four below CU, but GA's payment is three times covered compared with less than twice in the case of the other two groups.

This extra flexibility points to much sounder prospects for dividend growth and should ensure GA continues to outperform its rivals. Despite some hopeful recovery buying in recent weeks, however, scope for further progress by the sector as a whole could be constrained until clearer signs emerge that competition worldwide is peaking.

## Ransomes Vulnerable to spending cuts

Ransomes Sims & Jefferies which makes heavy engineering and specialised agricultural equipment, is one of those rare birds, an engineer making positive advances despite the recession.

But a sales gain of 16 per cent to £49m which has produced 8 per cent more profit at the operational level is all slightly soured by that bugbear of the industrial sector—high interest rates, not only here but also in the United States where Ransomes' business has local borrowings.

By the time these have taken their toll—and interest charges are up from £1.9m to £2.3m—1980 profits run out at £2.3m, down by 19 per cent.

Taking the view presumably that interest rates will continue to fall through 1981—on borrowings that have apparently been "contained at a slightly lower level" than in 1979 when gearing stood at approaching two-thirds—and that with sterling coming back, hard won export business will produce more satisfactory margins, Ransomes is now sticking its neck out and hoping for "comparable" results this year.

That looks possible: a heavy retrenchment programme involving a 30 per cent cut in the workforce over the past 12 months has obviously taken out substantial overhead albeit at the cost of a £0.92m exceptional item below the line this time.

There is one important snag though. Ransomes is heavily dependent in the United Kingdom market for its contract grass cutting equipment on public authorities. Obviously they are not going to be such ready buyers as in the past.

The market brushed aside that doubt yesterday and the shares gained 15p to 156p in what is a thin localised market. Here, Ransomes is yielding 10.2 per cent and selling at only 3 times latest stated historic earnings, after the tax credit, a cautious rating that looks justified this side of the Budget and the next EEC farm prices round which has a bearing on spending by farmers.

## Economic notebook

## When success is not what it seems

From their positions on the opposite sides of the divide in contemporary economics, the Keynesian National Institute and the monetarist London Business School, have arrived at some similar conclusions. They agree that Britain is likely to see three million jobless next year, for the first time for half a century. They also agree that the rapid decline in the inflation rate will be arrested at a level not much below 10 per cent.

The National Institute is marginally the more optimistic, predicting that the rate of inflation may inch down to 8 per cent in the final three months of 1982, comparing price levels with those of a year earlier. This means that between 1979 and 1982 unemployment will have much more than doubled, while inflation will have been less than halved (comparing the levels in the fourth quarter of each year).

Such, then, has been the cost of the Government's "success" in reducing the rate of price increases. Even this success has partly involved undoing the harm that ministers have themselves done.

This is because a substantial amount of inflation has been injected directly into the economy by the Government. According to Lord Kaldor, giving evidence to the House of Commons Treasury and Civil Service Committee last summer, the Government had contributed £6 to 8 per cent to the cost of living through tax changes and other policy measures.

Other economists have suggested that the government contributed to inflation as at the upper end of the Kaldor band. The indirect tax increases alone in 1979 and 1980, and March 1980 Budget added more than 8 per cent to the retail price index. The Government also abolished price controls, administered by the Price Commission.

It is not possible to quantify the effect on prices of this act, but it is unlikely to have been insignificant. The Trade Union Research Unit at Ruskin College, Oxford, has pointed out that the cost of living rose by 40 per cent in the first year of price freedom (May, 1979-May, 1980). Brick prices as a whole rose by nearly as much as 37 per cent, and one company increased its brick prices by as much as 45 per cent.

It is not, however, possible for these industries to argue that they were passing on exceptional cost increases, as the official index of materials and fuel purchased by these industries showed an annual rise of 25 per cent.

The increase in interest rates has been a further factor affecting the retail price index. Minimum lending rate was raised from 12 to 14 per cent in June, 1979, and raised further to 17 per cent in November of that year. It stayed at that level until last summer.

This raised costs in industries, which will have been passed on in higher prices wherever possible. The rise in house mortgage rates is alone calculated to have added 1 per cent to the retail price index.

Also, government policies have forced nationalised industries to raise their prices by much more than the general increase in prices. The increase in nationalised industry prices is certainly not due to high wage settlements in these industries.

Between June, 1979, and June, 1980, the prices of goods and services produced mainly by nationalised industries rose 29 per cent, but average weekly earnings of men employed in public corporations rose by 22 per cent between April, 1979, and April, 1980.

But this is, of course, not all that the Government has itself

done to raise prices. The cuts in expenditure which Treasury ministers have tried to impose on local authorities, and the reduction in the Exchequer's contribution to the financing of such expenditure, have led to large increases in local rates. In April, 1980, rates were increased by an average of 27 per cent for domestic properties and 23 per cent for businesses.

This, together with higher mortgage rates, higher rents, produced a 30 per cent rise in the cost of "housing", as recorded by the retail price index, between mid-1979 and mid-1980. Furthermore, there have been increases in many charges, such as electricity, prescriptions, school meals and the like.

Thus, it seems quite probable that when the year-on-year increase in the retail price index is put back to May 1979, that something over a third of that rise was attributable to the actions of Government.

## Wage claims

Part of the recent fall in the inflation rate has occurred because, for 12 months, the initial impact on the index of some of these government actions is no longer captured by the conventional year-on-year measure of price changes. It is the fact that many "drop outs" of the calculation.

But the effects are longer lasting than ministers admit. It is a widely adopted practice when trades union leaders are formulating wage claims, to base them on changes in the retail price index over the preceding year. Thus, Government-induced price increases are built into wage demands and have "secondary" effects on the level of inflation.

For Geoffrey Howe, the Chancellor, instead of there being no case for this, when he raised the rate of value-added tax in his first Budget, because workers had received compensating reductions in income tax. But, in fact, both Sir Geoffrey's Budget and Sir Denis Healey's Budget have increased taxation in real terms. The 1979 one did so largely by raising marginal rates, the 1980 one by reducing the real value of the tax credits.

If the Government's contribution to the retail price index, between mid-1979 and mid-1980 was indeed of the order of 8 per cent points, its success in reducing inflation looks decidedly less impressive.

What the rate of inflation would be today without the government contribution is difficult to say. If, for example, interest rates had not been increased, the exchange rate would have been lower. The higher exchange rate has helped to hold price increases down by lowering import costs.

If, on the other hand, the Government had not taken the action that it did, then public spending and borrowing would have been even higher, leading eventually to higher price increases or still higher interest rates, with commensurately more depressing effect on output.

But the Government's fiscal and monetary policies have themselves pushed up its borrowing through their effect on output.

If inflation cannot be driven below 8 per cent at the trough of the business cycle, it is hard to believe that it will be pushed lower when, or if, any recovery comes along. Moreover, a sizable fall in the exchange rate has begun to look increasingly likely, the less, in part, the miners. This will drive inflation back into double figures.

High unemployment, on the other hand, will remain with us. Few, surely, will claim that such a small gain on the inflation front has been worth the cost.

Melvyn Westlake

## How industry is paying over the odds for its energy supplies

## GAS PRICES FOR THE STEEL INDUSTRY (November 1980)\*

(Customers purchasing 2 million therms a year)

	Firm	Interruptible
UK	25.1	21.3
Belgium	19.5-20.5	17-15
France	20	20
Germany	19.4	17.7
Italy	19.5	16.5
Netherlands	20	—

\* Not agreed by the British Gas Corporation as representative.

For an important group of energy-intensive users UK gas and electricity prices had moved significantly ahead of those being charged to some major competitors on the Continent by the end of 1980\*

NEDC Energy Task Force report

But for the small, but important, group of energy-intensive industries which have been the focus of the task force investigation—accounting for some of the remaining 20 per cent of electricity consumption and a significant proportion of gas—United Kingdom prices had moved out of line with those charged on the Continent by the end of last year and heavy fuel oil remained "volatile".

So what has emerged from the task force's investigations into the particular problems of this group? The report shows that electricity prices—which are of particular interest to the steel and chemical industries—are at present 20-35 per cent lower in France than in England and Wales; German prices are up to 25 per cent lower at high load factors.

Over the short term the strengthening of the pound against the franc and the deutsche mark has been a significant factor, but other elements underlying the present discrepancy include the relative cost advantage of France's nuclear power generation and hydro-electricity. In West Germany tariff structures favour high load consumers.

For the foundry industry the price of coke has been a big source of worry. Coking coal costs represent 6-7 per cent of the selling price of castings. The task force concluded that United Kingdom foundry coke is 30 per cent more expensive than the average in most European countries and more than 50 per cent dearer than in France.

Nor only have exchange rate factors played a part, but subsidies are again a component, compounded by indirect help for coke oven output. The task force noted that United Kingdom subsidies are less than the maximum permitted under the rules of the European Coal and Steel Community.

Another factor forcing up United Kingdom prices is the requirement of National Smokeless Fuels to operate at "arm's length" from the National Coal Board and recover its costs through prices, at a time of falling demand and rising unit costs.

But it is in the area of heavy fuel oil that industry is looking for the first real concession. It wants a cut in the excise duty on heavy fuel oil in next week's

Budget (complete removal would cost the Exchequer £350m).

But beyond short-term relief the oil issue poses a longer term problem for the Government, because "interruptible" gas prices are linked to the price of heavy fuel oil, and "firm" gas supply contract prices are related in part to the price of oil.

There are a whole range of other factors which have lifted fuel oil prices above the levels prevailing in other European countries—among them differences in transport and distribution costs and in the cost structure of individual companies.

It is on gas prices that the task force had the greatest difficulty in arriving at representative comparisons. As one insider observed: "We had the impression that the British Gas Corporation approached the task force exercise with no intention of agreeing anything."

There remains a basic disagreement between the BGC and its major consumers on the impact and degree of the linkage between firm gas supplies and gas oil or other oil products in different countries.

The task force secretariat has concluded that by the end of last year gas price disparities with the Continent were on average 2p-3p per therm (or 10 per cent) for interruptible supplies and 3p-5p a therm (or 10-20 per cent) for firm gas contracts. That represents an overall cost disadvantage to United Kingdom users on an average weighted basis of at least 10-15 per cent.

Ministers can therefore expect the energy-intensive industries to press them to act on earlier NEDC recommendations that the gas corporation should demonstrate a willingness to restructure its tariffs and negotiate discounts to large users similar to those available to continental consumers.

NEDC also asked the corporation to review "and redress" the present imbalance under which industrial gas customers are the only ones in Europe to pay more than domestic consumers.

The task force has rooted out the facts on energy price discrepancies. But in many respects the real debate has only just begun.

Peter Hill.

## Business Diary: Girobank's Wainwright • Gold-diggers of 1981

For Sam Wainwright the vigorous managing director of National Girobank yesterday's announcement that the Post Office's banking offspring is to join the London Bankers' Clearing House marks the great leap forward for the poor relations of banking.

A former financial journalist and merchant banker, Wainwright, who has been at Milk Street since 1977, is one of the new breed of Post Office chiefs who prefer action to precedent.

He made Girobank's voice heard on the Committee of London Clearing Bankers—a working group on payment of wages.

While involved in the preliminary discussions with the London Clearing Bankers' Committee about this advance Wainwright will delegate its implementation. He is more concerned with his next project, the setting up of seven regional offices or bring Girobank account management nearer to large company customers.



Sam Wainwright

## Wallchart

YES, SIR, I UNDERSTAND



## I'll implement your suggestion immediately.

GOODBYE.



## SIR, I BELIEVE THAT I HAVE JUST HEARD THE FIRST CUCKOO...



● If you are in line for a hand-shake and want to make sure that it is of the golden, rather than the leaden, variety then you could do worse than invest 60p in the latest edition of *Labour Research*—unless, of course, there is a copy in the company library.

The journal—published by the trade union-sponsored Labour Research Department—has done a breakdown of 37 golden shakes totalling more than £4m over the last few years.

You can see what the going rate is from a table listing the lucky lads, which is topped by Sir Brian Massy-Greene, of Consolidated Goldfields (£250,000) and trailing off with Pat Matthews (First National Finance) and Gerald Harding (Bibby Line), who each got £50,000.

The star company is Dalgety, which paid £100,000 each to Robert Paul, Norman Rigby and William Shaw.

Perhaps even more interesting are £3.5m pay-offs to

persons unknown (£2.1m handed over by ICI in 1979 alone) as "pensions, gratuities in respect of executive services of former directors".

Tarmac is listed as having made similar payments of £215,000, Cavenham of £170,000 and Unigate £156,000 and there are lots more. The point the Labour Research Department seeks to make is that for the workers the maximum state entitlement to redundancy pay after 20 years in one job is £3,900—as long as the State Redundancy Fund holds up.

One thing Japan is not making smaller these days is the Japanese themselves. A survey by the local government statistics bureau there shows that the height of high school boys has exceeded 170 cms (about 5 ft 7 ins) for the first time on record. They also weigh about 10 lb more on average than 20 years ago—owing mostly to eating more Western food.

● The Consumers' Association has planted the seed for an addition to its range of *Which?* magazines. If it germinates successfully, *Gardening Which?* should blossom in 1982.

As yet, the organization's deputy director Rosemary McRobert emphasizes, the project is "highly embryonic". Advertisements are out to recruit the first diggers in the field, but no final commitment to the horticultural project will be made until the magazine has a new readership.

Gardening being a chancy and seasonal business, the Consumers' Association has to get down to the nitty-gritty right away if it is to have crops to report on in 1982. The project may involve it in buying its own garden and trial beds if its attempt at propagation proves that it really does have green fingers.

● John Brembridge, 31 years in the Far East, mostly in Hongkong, bowed in yesterday as the Crown Colony's new Financial Secretary—its Chancellor of the Exchequer—and offered his sympathies to all companies who have been getting their fat Chinese contracts cancelled.

"The Japanese and Americans jumped up and down about the contracts they had won and then they collapsed, but if anything is required in dealing with China it is patience," Brembridge, chairman of the Swire Group—one of the two trading "Hongs" that dominate the island's activities—until he retired last November, sees no diminution in trading activities between China and Hongkong.

Brembridge, 51, succeeds Sir Philip Haddon-Cave who moves up to Chief Secretary in Hongkong. Sir Jack Cater, the present Chief Secretary, will be Hongkong Commissioner in London later this year.

Shareholders at yesterday's AGM of Grand Mer at the Lyceum in the Strand not only received the customary vouchers for goodies with their copies of the annual report but were invited to stay on for drinks at the close of the meeting, which most did. When, half an hour later, the hint that "we are now having to close the bar" went unheeded, there came over the loudspeaker a strident version of the National Anthem. It had the desired effect.

Ross Davies



## Extract from Accounts at 31st December, 1980

	1980	1979
	£000	£000
Issued Capital	10,800	10,800
Retained Profits	6,388	5,244
Subordinated Loans	4,194	4,497
Deposits	377,358	357,130
Loans	222,954	230,835
Total Assets	411,756	387,801
Profits before Taxation	3,841	3,139
after Taxation	1,792	1,500

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**The Rank Organisation**

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We offer: around £5,500, 3-4 weeks' holidays, 5-day week.

(Age approx. 25-35) Applications with C.V. to Box 2719 F, The Times.

## SECRETARY

required for

Financial Director

If you're aged 30 or over, with good shorthand and audio experience we'd like to hear from you. We are a well-known international company currently requiring a top-class secretary for one of our directors and we're prepared to offer £5,000 plus a company car for the right applicant.

Contact Joyce Monaghan, Human Resources Ltd., Heron House, 19 Marylebone Road, London NW1 5JL or telephone 01-488 4477.

## TOP FRENCH JEWELLER

REQUIRES

SALES ASSISTANT

Ideal position for young person to train with high class jeweller. High personal standards, and impeccable appearance required. Knowledge of French preferable. Successful applicant will enjoy good salary and excellent conditions.

Phone 499 5716

## COVENT GARDEN

Efficient and enthusiastic Secretary with good shorthand typing

required for two account directors in creative marketing

agency. £5,250 p.a. neg.

Phone Annie Flanagan, 01-240 3616

## FINANCE YOUR FORTUNE

Up to £5,500 with early review.

Allow this affable Financial Director to deputise for a hectic non-attitude of a hectic non-attitude of a hectic non-attitude. Create your own correspondence, organise furniture and general staff well-laid. Excellent secretarial skills essential.

For more details phone Diane Mitton 58-60 Healdsich, E.C.3.

**de la rue**

01-621 0566

## WORD PROCESSOR/ SECRETARY

Are you willing to work hard, type fast and be well paid?

Our clients are prestigious international companies requiring responsible, intelligent and willing secretaries with word processing

training. Excellent company benefits and remuneration for quality applicants. Ring Valerie Hughes, The Work Programme Recruitment Consultants, 406

5059/5073.

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All recruitment advertisements on this page are open to both male and female applicants.

## THE CIVIL & PUBLIC SERVICES ASSOCIATION

## PRIVATE SECRETARY

This trade union headquarters has a vacancy for an experienced private secretary at its office at Wandsworth Common. Excellent secretarial skills required (50/120 wpm) and experience of minute-taking desirable.

Salary £5,954 rising to £7,120, flexible working hours and excellent conditions.

For further details ring Judy Douch 01-874 0494.

## SENIOR POSITION

for an experienced Legal Secretary to assist the Senior Partner of Holborn Solicitors.

The position involves a variety of Secretary/P.A. duties including dealing with pop stars. The successful applicant must have varied legal experience together with excellent audio typing speeds of 60-70 w.p.m., preferably with shorthand experience and able to use Telex.

Modern working conditions; 1981 holiday arrangements will naturally be honoured. Salary £6,500.

Please ring Ref. PES on 01-405 2889.

## MARKETING AND CONFERENCE PRODUCTION COMPANY REQUIRES

## SECRETARY/PA

to work for busy Chairman/Chief Executive. Suitable applicants should have good shorthand and typing skills as well as an ability to make decisions and work on own initiative.

Please write to Carol Martin, Chilton Lang, Curusby House, 27-29 Beak Street, London, W.1, giving full details of your career to date.

## SECRETARY

For Director in busy international professional association. This is an interesting job in a small office for a bright reliable person with good office experience and initiative who is prepared to take on a variety of responsibilities in assisting the Director with the administration of this organisation which has world-wide membership. Audio and neat typing presentation are essential as well as ability to handle routine correspondence and office duties without supervision. Knowledge of a European language would be advantageous. Salary £5,750, L.V.s, 20 days holiday p.a. Please write with full details to: The Executive Director (Appointments), International Rec. Association, Byron House, 7-9 St. James' St., London, SW1.

## MAYFAIR PROPERTY COMPANY

Seeks intelligent, capable P.A./Secretary with good secretarial skills for one of their Directors. Own office with IBM self-correcting typewriter. Knowledge of German useful, but not essential. Starting salary £5,500 p.a. 4 weeks' annual holiday. College leaver considered.

Please call Alexandra Hilkema 409 1457

## TWO AT SEVEN!

M.O. Large Int. Co. with 20 years' experience. P.A. Sec. £5,350 p.a. 40-60, flag for organisation. Free for occasional travel. Own office. £2,500 p.a. Superb fringe benefits including mortgage facilities. A.L.P.A., etc.

ADMAN, P.A./SEC. 25-30, format skills minimum 100, 30. Good education and good future for the entire to considerable participation in the running of the company. Work to full potential. No. 1. Destination will give real satisfaction. £5,000 p.a.

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THE recruitment consultants

## VICTORIA

£7,000

A Secretary/P.A. is required to join a well-known international company. The successful candidate will be responsible for the day-to-day running of the company. Salary £7,000 p.a. 4 weeks' holiday. 100% O.T.

SPORTS PROMOTION W.1 This sports celebrity needs an enthusiastic Secretary/P.A. to set up and run a brand new sports exhibition company and assist him in the planning and organisation of the annual exhibition. Salary £5,500 p.a. 20-40. Speeds 100/60.

ANGELA MORTIMER LTD. Recruitment Consultants 429 9886 144 Piccadilly

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## P.A. TO PERSONNEL OFFICER

£5,500 p.a. + mortgage

Young person with maturity to P.A. to Personnel Officer. Duties include: recruitment, training, discipline, etc. Good salary and benefits. 4 weeks' holiday. 100% O.T.

Stella Fisher Bureau 710 Strand, W.C.2. 01-836 6644 Recruitment Consultants

## SECRETARY/PA

WEST END CONSULTANCY

Small, friendly but very busy consultancy requires mature, enthusiastic Secretary/P.A. with good organisational skills. Responsibilities include helping two Directors, assisting in preparation of reports, office administration, etc. Excellent training for use of word processor available. Part optional. Good salary.

Ring Joanne on 01-486 6277

## DIRECTOR'S SECRETARY

£7,000 W.1

Board level experience in a large company preferred. Speeds 110 w.p.m. and 60 typ. If you are 25-35 and can deal with a steady flow of dictation in addition to other confidential P.A. duties, please call me for further information. Pam Greenwood. 429 7872

**KENTCOM** Recruitment Consultants

## SECRETARY/PERSONAL ASSISTANT TO CHIEF EXECUTIVE

PROPERTY AND INVESTMENT MANAGEMENT COMPANY S.W.1

The newly appointed Chief Executive requires help in taking over responsibilities previously carried out by professional advisors and in setting up comprehensive records.

Applicants must have a wide breadth of secretarial and administrative experience (including telex, shorthand, typing and audio) at senior level, with an appreciation of and a willingness to work with figures, and deal with individuals of high financial standing.

The team is small and applicants must be willing to support the day to day running of a total office functioning at all levels as necessary. A high standard of personal appearance and discretion is a prerequisite. Salary for discussion from £7,000.

Applications to: D. S. A. Johnson, 200 Sloane Street, London, S.W.1.

## FIRST JOB

£4,500-£5,000

This is much more than a shorthand and typing job. You will be involved in the administration as well as telephone work, answering letters, filing and handling correspondence. We need an above-average college leaver or someone with a little office experience who is bright and cheerful and interested in a career and join in with the department. The company, which has hospitals both in the U.K. and abroad. Beautiful offices for 100 staff located near Regent's Park.

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## MAYFAIR

PROPERTY P.A.

A very busy director of this highly successful company is looking for a capable Secretary/P.A. to assist in his day-to-day running of the company. The successful candidate will be involved in the day-to-day running of the company. The company is a small, friendly team. Salary £5,500 p.a. 4 weeks' holiday. 100% O.T.

**Bernadette of Bond St.** Recruitment Consultants 11, 15, 17 Bond St. London, W.1. 01-433 1284

## SECRETARY with languages

MAYFAIR

Smart and intelligent secretary required for friendly and dynamic international management consultancy. Will be required to copy type 150+ w.p.m. in French and German. Also care of travel arrangements, but no shorthand! Salary £5,500 p.a. Please ring Jill Grevall on 01-408 8777.

## LEGAL

£6,500++

If you know Graduate Girls, you will know we are looking for a Secretary/P.A. to assist in the day-to-day running of the company. The successful candidate will be involved in the day-to-day running of the company. The company is a small, friendly team. Salary £6,500 p.a. 4 weeks' holiday. 100% O.T.

**Graduate Girls** 01-621 0566

## EXECUTIVE SEC-NW4

£6,500

Expert company are looking for a top secretary to work for their Managing Director. The successful candidate will be involved in the day-to-day running of the company. The company is a small, friendly team. Salary £6,500 p.a. 4 weeks' holiday. 100% O.T.

TEL: SALLY WALSH on 01-282 4471

## SECRETARY

MERCHANT BANK

£6,500 + mortgage and usual bank benefits

Young (early 20's) Secretary with fast accurate typing and shorthand skills. Good salary and benefits. 4 weeks' holiday. 100% O.T.

For more information about this exciting opportunity, please call 01-433 1284.

## AMERICAN LAW FIRM

desires first class audio

typist/secretary for cheerful

modern offices near Piccadilly. 4 weeks holiday, L.V.s and £5,800 pa.

For further details please phone Miss Carrington on 339 3226.

## PICCADILLY

Experienced secretary for

international law firm. Salary

£5,000, 4 weeks holiday, £1

per day L.V.s. IBM Goliath.

Contact Gloria Perry 339 3226



**LAURA ASHLEY**

have a vacancy for

Assistant Manager/ess

In their busy Home Furnishing Shop

at 183 Sloane Street, London.

This job involves all aspects of managing our high-turnover shop, working closely with our new and extensive 1.5 Home Furnishing Collection. Experience in interior design is preferable, and applicants must have had reputable experience in management, in buying and direction of staff.

Please apply in writing with C.V. to: Miss Pat Lewis, Laura Ashley Ltd., 48 Temperley Road, Billesley, London SW12 0EL, or telephone 01-875 5411.

## Career Opportunity

### Commodities—Bilingual Secretary

Director of an international City commodity company requires a first-class bilingual Secretary, preferably French, who would also be trained in all aspects of commodity trading to become a back-up assistant to the traders. This position is ideally suited to a dynamic, efficient, career-minded person. The company offers a competitive salary for someone aged 25-30 years with good educational background.

Please ring Mrs. Gratton on 01-623 3131 for application form.

## British Olympic Association

P.A.

### to General Secretary

required for W.I. office. Good shorthand typing and general administrative skills required as well as ability to compile reports and minutes. Interest in sport an advantage. Salary negotiable according to age and experience.

For further details phone 01-406 2029 or write to Gen. Sec., BOA, 1/2 John Prince St., London, W.1.

## REAL P.A. OPPORTUNITY IN COBBHAM

Director of successful marketing company requires an

assistant immediately.

Some secretarial duties are involved but you will spend most of your time working on your own very interesting projects, which will give you genuine responsibility.

You must be really intelligent, hard working and ambitious so that we can train you to become a real contributor to our business. Friendly, informal working environment, free lunches and lovely surroundings.

Telephone Lila Jones on Cobham 318 for an application form and details.

## BILINGUAL P.A. BERKSHIRE

£6,000 neg.

The Head Office of this international company is in Paris. You will be expected to converse fluently in English and French and accept a good deal of responsibility. You'll have your own very pleasant office, excellent benefits and a lovely holiday home. Good shorthand essential.

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**SENIOR SECRETARIES** 173 New Bond Street W1Y 9PP 01-499 0082-01-495 9507

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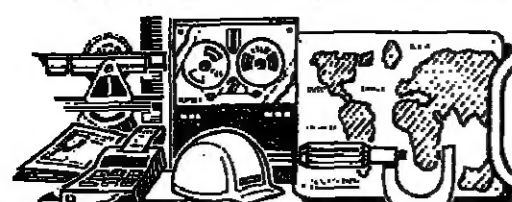
Experience preferred. Must be hardworking, energetic, good with people. Salary plus commission by arrangement. Good prospects. Min. age 23.

Apply in writing with C.V. to Box No. 2921 F, The Times.

## SEC. TO DIRECTOR

UP TO £4,000





# Recruitment Opportunities



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LONDON, S.W.1

### GROUP CHIEF ACCOUNTANT

£15,000-£18,000 + CAR

QUOTED BRITISH INVESTMENT AND BANKING ORGANISATION

Applications are invited from Chartered Accountants, aged 30-40, with not less than 8 years' post-qualification experience in a demanding and diverse commercial environment. Experience of managing an accounting operation is necessary and exposure to banking practices is desirable. Candidates should have a comprehensive understanding of computer applications and be capable of making a full contribution towards the implementation of future D.P. policies. Responsibility is to the Finance Director for the development and co-ordination of the Group's financial and management accounting procedures, together with the direct control of the accounts function within the banking organisation. Initial salary negotiable £15,000-£18,000, car, non-contributory pension, life assurance and family medical insurance. Applications in strict confidence quoting reference: CJA 4027/TT, to the Managing Director:

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35 NEW BROAD STREET, LONDON EC2M 1NH  
TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.



THE MEDICAL PROTECTION SOCIETY

Applications are invited from Registered Dental Practitioners for the appointment of a full time

### DENTAL SECRETARY

Salary will be in the range £19,488-£20,476 plus London Weighting, superannuation arrangements and comprehensive fringe benefits

Good experience in general dental practice is essential, and it is anticipated that the successful candidate will be in the age-range 35 to 45 years.

Applications (envelope marked Dental Secretary) giving full particulars, together with the names of three referees, should reach:

The Secretary,  
The Medical Protection Society,  
58, HALLAM STREET,  
LONDON W1N 6DE.

not later than Friday, 24th April.

### Royal Commission of Historical Monuments Investigator—Air Photographs

... to be responsible to the Head of the Air Photographs Unit in London for the development and implementation of a programme of air reconnaissance and photography for archaeological purposes relating to existing evidence and future needs.

Candidates should normally have a degree with 1st or 2nd class honours, or a diploma, in archaeology or geography; but other candidates will be considered if they have experience or knowledge of special value. A knowledge of air photography, cartography and remote sensing techniques desirable.

Salary (under review) within the range of £5,915-£7,760 according to qualifications and experience. Promotion prospects. Non-contributory pension scheme.

For further details and an application form (to be returned by 23 March 1981) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: G/5528.

## LLEWELLYN

REQUIRE

### General Manager/Director Designate

For their timber frame division at Milton Keynes. The post will involve the management of all aspects of our timber frame division from inquiry stage through estimating, manufacturing, erecting the houses, and settling the final accounts.

The applicant should already be earning well over £10,000.00 per year, and should have a building or civil engineering degree, MIOB, or other evidence of technical ability. He must also be experienced in management in the construction industry, and should have had responsibility for production either on site or in a works.

There is a non-contributory Pension scheme in operation. Apply in writing to: The Managing Director, Llewellyn Homes Ltd., 16/20 South Street, Eastbourne.

## AMNESTY INTERNATIONAL

### MEDICAL ADVISER

From 1 June 1981 for the London-based International Secretariat to advise with AI's Medical Advisory Board, advise on the co-ordination and structure of medical programmes and assist in the development of medical groups throughout the world. The Medical Adviser will maintain and develop a comprehensive knowledge of topics of relevance to AI's medical work. The person appointed should be professionally qualified with, preferably, psychiatric experience or experience of working with prisoners or refugees. Administrative experience and fluency in English essential; a working knowledge of other languages, particularly Spanish, advantageous.

Salary: £7,635.59 per annum (index-linked). For a detailed job specification and application form send a large s.a.e. to the Personnel Department, Amnesty International, 10 Southampton Street, London WC2E 7HF.

Closing date for the return of completed forms: 15 April 1981.

### ASSISTANT EDITOR

required to work on varied list of annual international reference books. Position would suit young language, history or economics graduate wishing to enter publishing, or similar graduate with one or two years' publishing experience. Knowledge of one or more modern languages and ability to type an advantage. Neat, legible handwriting, good spelling and an orderly mind essential. Write in your own hand, giving full details of age, education, experience and present salary to:

David Gilling, Managing Editor, Europa Publications Ltd, 18 Bedford Square, London WC1B 3JN.

## CONTROLEUR

Circa F.Fr. 200,000 p.a.

CALAIS

La filiale d'un groupe international, leader dans le domaine de la filtration industrielle et de la micro-filtration concernant les industries pharmaceutique, alimentaire et de l'électronique recherche son contrôleur.

Responsable des services financiers de l'entreprise (comptabilité générale et analytique, budgets, contrôle de gestion informatique).

Il dépendra directement du directeur général et occupera une position clef parmi l'équipe de direction et, à ce titre, contribuera au développement de l'entreprise.

De formation supérieure, il occupe actuellement un poste à responsabilités et aura de préférence de l'expérience dans la comptabilité Anglo-Saxonne. Il aura à faire la preuve d'une personnalité affirmée, adaptable et capable de souplesse et de fermeté. La bonne maîtrise de la langue Française est indispensable.

Les candidats intéressés voudraient bien nous transmettre leur curriculum vitae détaillé, à l'attention de

MR EDWARD G. CLEERE,  
AMF INTERNATIONAL LIMITED,  
25-28 OLD BURLINGTON STREET,  
LONDON W1X 3BA, ENGLAND.

## IMPERIAL CANCER RESEARCH FUND

Medical Oncology Unit Edinburgh

### Established Scientist

Biochemist/Pharmacologist required for the Imperial Cancer Research Fund Medical Oncology Unit in Edinburgh. Director, Professor J. F. Smyth. The work of this recently established Unit involves a closely integrated clinical and laboratory based scientific programme of research into the properties of anti-cancer drugs. The appointee will be expected to pursue an active research programme in the areas of nucleic acid metabolism in relation to anti-cancer drugs, the biochemical pharmacology of anti-cancer drugs and development of new anti-cancer drugs. He/she will also be in day-to-day charge of the Unit's laboratory plus a staff of six scientists and technicians.

The successful candidate will have made major contributions to one of the above or closely related fields. Experience of nucleic acid metabolism is essential; proven ability to supervise the work of other scientists will be a distinct advantage.

The position is permanent and pensionable. Established by the I.C.R.F., and honorary university status (Senior Lecturer) will be available. Salary, according to qualifications and experience, will be in the Fund's non-clinical Senior grade range: £11,165-£13,960 a year. Further information from Professor J. F. Smyth, Head, University Department of Clinical Oncology, Western General Hospital, Edinburgh, EH4 2DX, Scotland, Tel. 0131 350 3365, ext. 138. Applications should be sent to Professor Smyth enclosing a curriculum vitae and the names and addresses of two referees.

## IMPERIAL CANCER RESEARCH FUND

Applications are invited for

### Two Established Positions

One appointment will be in the field of drug targeting. Specific interests could include types of drug, nature of the carrier, drug-carrier attachment, mechanisms of uptake by cells and release of drugs. Extensive use may be made of the spectrum of cell-specific monoclonal antibodies which are currently available at ICRF. The successful candidate will be expected to co-ordinate our current activities in drug targeting and related research, as part of his or her own relevant research programme. (Reference DT.)

The field of the second appointment could be in any area of eukaryotic cell or molecular biology of relevance to cancer. Preference may be given to the areas of cell growth and transformation factors, the cytoskeleton, phosphorylation as a regulatory mechanism, or cell-cell recognition and interactions. (Reference DT.)

Candidates should have made major contributions to knowledge in one of the above, or in related fields. The pensionable appointments are expected to be in the non-clinical Senior grade (salary range £11,165-£13,960) or the Special Appointments grade (salary range £14,273) with entry depending on qualifications and experience, plus in either case London Allowance of £567 a year. Applications with full c.v. and names and addresses of two referees should be sent to the Secretary ICRF, 44 Lincoln's Inn Fields, London WC2A 3PX by 31st March, 1981, quoting reference as above. Further information may be obtained from the Director of Research Dr W. F. Bodmer.

## GOVERNMENT OF BERMUDA

ATTORNEY GENERAL'S CHAMBERS

POST NO. 2

### SOLICITOR GENERAL

The duties of the post are the normal duties of the second Law Officer of the Crown and include the general supervision of all litigation involving the Government and criminal prosecutions, to act in court of major civil and criminal cases, and to advise the Government and some legislative drafting.

Applicants must be admitted barristers or solicitors in Bermuda, the United Kingdom or some other Commonwealth country, and have had some fifteen years' experience of legal practice of legal officer in a Crown Law Office or similar chambers.

The salary of the post is \$252,000 per annum. There is no income tax in Bermuda. BDA-155.

Applications, giving full details of education, experience and marital status should be sent by Air Mail to the Secretary, Public Service Commission, P.O. Box 24, Hamilton, Bermuda, to be received no later than March 26th, 1981.

### STUCK IN MIDDLE MANAGEMENT?

A member of the Pioneer Mutual Insurance Group  
Large established companies can be very frustrating for those fast forward.  
LIS (Life & Pension Services) Ltd. is growing rapidly, opening branches nationwide and creating exciting opportunities for people with initiative, between the ages of 22 and 35. A Sales Manager (male/female) with previous experience in the industry, you could earn £15,000 in your first year.  
Opportunities exist in Birmingham, Bristol, Cambridge, Chichester, Glasgow, London, Manchester, Newcastle, Reading, Sheffield and other major cities—no wherever you live, you can work for LIS.  
Jack Oliver, LIS (Life & Pension Services) Ltd., Pioneer House, 152a Regent Road, Brighton, BN1 1UB.  
—A member of the Pioneer Mutual Insurance Group

## Executive Search Consultancy

### Research Associate

Up to £7,000

Korn/Ferry International is a leading firm of Executive Search Consultants, involved in placing senior executives within a wide range of client companies and in researching general areas of concern to management.

We are seeking a Research Associate, male or female, to join the existing research team, who will assist the consultants in finding suitable individuals for positions and in the company's more general consultancy work.

Aged 22-30, a graduate, with work experience preferably in an engineering or financial sphere, and some linguistic ability.

Please reply in writing to Helen Gordon-Potts, Korn/Ferry International Ltd., 2/4 King Street, St. James's, London SW1Y 6QL.



## ONE LECTURER and TWO ASSISTANT LECTURERS required for IRAQ

Duties: to design and teach a 2-year English course for Foreign Ministry personnel to achieve written and spoken fluency in English.

Qualifications: Candidates must have a degree in English and MA or post-graduate diploma, with suitable TEFL experience.

Salary: ID 400—ID 600 (approximately £600-£900) per month.

Benefits: Free air passage, free furnished accommodation. Two-year contract.

Please write, stating briefly qualifications, experience, and giving the names of two referees to: Embassy of the Republic of Iraq, 20 Queen's Gate, London, SW7.

Applications to be sent by 15th March, 1981.

Due to the retirement on 31 July 1981 of Mr. T. M. H. Scott, MA, the present Chief Executive, applications are invited for appointment as

## CHIEF EXECUTIVE

£22,134-£23,349 p.a.

Sutton is an attractive Outer London Borough, with a population of 166,900, on the edge of the Green Belt, about 12 miles from Charing Cross.

The Chief Executive is head of the Council's paid service and their principal adviser. He does not have specific departmental responsibilities. Further particulars and application forms, which must be returned by 31 March 1981, obtainable from the Personnel Officer, Civic Offices, St. Nicholas Way, Sutton, Surrey SM1 1EA (01-881 5148).

## LONDON BOROUGH OF SUTTON

### AMNESTY INTERNATIONAL

has a vacancy for a

### RESEARCHER

in the Asia region of its London-based International Secretariat. This is a temporary post for 6 months while the present postholder is on leave for that time.

Experience of academic research on contemporary China essential. Knowledge of contemporary Laos and Malaysia desirable. Salary £500 per month. For a detailed job specification and application form send an SAE to the Personnel Office, Amnesty International, 10 Southampton Street, London WC2E 7HF. Telephone 01-445 7788, ext. 285. Closing date for the return of completed forms 18th March, 1981.

Appointment from 27th April, 1981.

## SALES MANAGER

An opportunity now exists for an experienced and self-motivated person to lead a highly successful on-site sales team with Britain's market leaders in property time sharing situated in idyllic surroundings in Kent c. £20,000 p.a. Write in confidence, sending c.v., to Group, Marketing Manager, Golf Leisure Developments Ltd., Broome Park Estate, Barham, Near Canterbury, Kent. Position open to both male and female.

### FOREIGN EXCHANGE DEALER

£9,000, NEG. + PERKS

City Merchant Bank require top FFX dealer, age mid 20's with experience of currency dealing. Excellent salary and perks package. For more details phone R.J. Recruitment Consultant 248 8121.

### RECRUITMENT GUIDANCE

Consultants, specialists, careers, the R.I.C. Recruitment Consultants, 100, Victoria Road, London, W14 0JF. Tel. 01-953 0432 (24 hrs).

HIGHLY experienced Airman in Operational, Ops, Chalmers St. Press, Bucks. Tel. 0494 222222.

### FLAIR FOR BUSINESS?

International Com and Commodity brokers invite applications for the positions of Finance Managers (RFF) and sales clerks for their London branch. Candidates need be of neat appearance, between 18-21 years of age. No experience necessary. All training is conducted by the Company and will require travelling abroad. Salary negotiable. Applications to: Mr. S. Chisley, including copies of references and any other applicable information. Reply Box 2580 F The Times.

### THE MEDICAL SOCIETY

seeks an experienced and well-educated representative with some knowledge of 21st century history to sell medical publications including books, journals, and audio-visual aids to hospitals and other medical institutions. Salary £7,000 p.a. plus bonus. For more details apply in writing giving full details to: The Secretary, 21, Pentonville Road, London, N1 9JG.

## The Girl Guides Association General Secretary

Applications are invited for the position of General Secretary upon the retirement of the present holder.

The General Secretary is the senior salaried official of the Association (current membership 890,000) and is based at the Girl Guides Association Headquarters, Buckingham Palace Road, London.

The General Secretary is responsible for the administration of the Headquarters, servicing the Council and Executive Committees of the Council, and for the 200 staff at the Headquarters, Training Service and Training Centres.

The ideal candidate will be aged 40-50, have had extensive administrative/management experience, and will have a deep commitment to the Guide Movement. Past or present membership of the Movement will be a very considerable advantage.

Replies containing comprehensive career details and quoting reference S/22/T, will be forwarded direct to the Management Consultants advising on this appointment.

London  
40 Berkeley Square  
London W1X 6AD  
Tel: 01-629 9496

Recruitment Advertising & Executive Selection



ARTS COUNCIL OF GREAT BRITAIN

## Regional Director

The Council is seeking a Regional Director in place of Mr. Jack Phayre who is to become Director of Aldburgh Festival. The Regional Director works directly to the Secretary-General and takes responsibility for overseeing and strengthening the Council's relationship with the Regional Arts Associations, as well as for the Council's work in the touring of drama, opera and dance. The post is supported by specialist staff in each area.

Applicants should have considerable knowledge of the arts in the regions, proven experience at a senior level in administration, highly developed negotiating skills, and, ideally, experience of working with local authorities.

Salary: at an appropriate point on a scale between £15,000 and £18,500 (currently under review).

For an application form and job description, contact Sue Yates, Personnel Officer, Arts Council of Great Britain, 105 Piccadilly, London W1, telephone 01-629 9495 Ext. 116.

Closing date: 20th March. Post open to male or female applicants.

Arts Council OF GREAT BRITAIN



## Dublin Corporation

### LIBRARIANS GRADE B

Essential: University Diploma in Library Training or the Fellowship Diploma of the Library Association of Ireland or an equivalent qualification.

Age: Between 22 and 45 years.

Salary: £6,429 - £7,951 per annum.

Closing Date: 18th March, 1981.

For application forms and full particulars apply to:-

Personnel Department, Dublin Corporation, 55, Aungier Street, Dublin 2. Tel. 78059.

## Editorial Opportunity

### EDITOR FOR SUCCESSFUL SLIMMING

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